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14 October 1983

SOUTHEAST ASIA REPORT

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MINISTRY OF TRADE NOTIFICATION ON PADDY PRICES

Rangoon THE WORKING PEOPLE'S DAILY in English 9 Sep 83 p 1

[Text]

RANGOON, 8 Sept.—The Ministry of Trade to-day issued Notification No 3/83 fixing the purchase prices of paddy produced in 1983-84 according to paddy variety, the grades of paddy according to variety, the reduction rate according to the variety of paddy, and the classifying of paddy to be bought township-wise and according to strain as special strain and special strain first class.

According to the Notification, the variety and grade of paddy produced in 1983-84 to be bought only by the Agricultural and Farm Produce Trade Corporation in accordance with the rights conferred upon it under Sections 3, 4, 5 and 17 of the Law for Establishing the Socialist Economic System

of 1965 have been fixed.

The prices for purchases to be made solely by the Agricultural and Farm Produce Trade Corporation at the purchase depots opened at milling and storage centres have been fixed. If field purchase depots or mobile purchase depots have to be opened as a special arrangement, transportation charges will be deducted to cover the cost of transportation from the field purchase depots or mobile purchase depots to the purchase depots opened at milling centres or other purchase depots opened at storage centres.

The prices for purchases to be made solely by the Agricultural and Farm Produce Corporation at the purchase depots opened at milling and storage centres are:

Paddy variety	Prices for three grades		
Ngasein	K 900	K 990	K 1,060
Meedon	K 940	K 1,000	K 1,060
Emahta	K 955	K 1,030	K 1,125
Special Emahta	K 1,035	K 1,140	K 1,230
Ngakywe	K 1,090	K 1,200	K 1,300
Kaukhnyin	K 900	K 990	K 1,060

The prices are for 100 baskets (46 pounds per basket).—NAB

NEGATIVE ECONOMIC GROWTH REPORTED

Auckland THE NEW ZEALAND HERALD in English 25 Aug 83 p 19

[Text]

NZPA

Suva

The Fiji economy is slumping so badly that its gross domestic product is experiencing negative growth.

The chief manager of the National Bank of Fiji, Mr Ross Plowman, said the recession had exceeded the Government's expectations.

Mr Plowman said that before Cyclone Oscar struck in March, and the drought which followed, the Government had expected an annual growth in the gross domestic product of 5 per cent a year.

"We cannot even maintain zero growth, which is a serious position for all concerned," he said.

The National Bank in its forward calculations believed a growth in the gross domestic product for 1984 to 1986 of 2 to 4 per cent was possible

once drought recovery work could begin.

"The recovery of the sugar industry will play a key role in this nation's resurgence. However, nature cannot be hurried."

The other main hope in the short-term was the tourist dollar.

An Opposition politician, Sir Vijay Singh, said yesterday that the Fiji sugar industry was expected to record a loss of \$80 to \$70 million this year, of which \$40 million would be borne by the cane farmer.

The Government has introduced a \$NZ21 million interest-free loan scheme to help farmers to plant next year's crop without having to pay for the necessary supplies until 1985, but the Federation Party and the cane growers have said this will not be enough.

CSO: 4200/58

AGRICULTURAL DEVELOPMENTS FOR 19-25 SEPTEMBER

[Editorial Report] BK260738--Kampuchean media monitored by Bangkok Bureau have reported the following agricultural developments during the reporting period 19-25 September:

Kampot Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 19 September reports that by 30 August peasants transplanted 31,565 hectares of all types of rice, realizing 30 percent of the plan, which projected 99,500 hectares of rice in the rainy season. A total of 7,740 hectares of corn and other crops was also planted. Phnom Penh Domestic Service in Cambodian at 1300 GMT on 19 September reports that by the end of August almost 4,700 hectares of various types of rice were transplanted and 1,800 hectares of subsidiary crops were planted in Banteay Meas District.

Pursat Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 20 September reports that up to the beginning of September peasants in Krakor District sowed more than 1,100 hectares of rice, transplanted over 3,600 hectares of rice, and broadcast and planted over 500 hectares of rice. Phnom Penh Domestic Service in Cambodian at 0430 GMT on 22 September reports a statement to the station correspondent by (Phim Sum Oeun), deputy chief of the provincial trade service, on preparations to sell goods to peasants and buy paddy from peasants. In the 1983 purchase period, the service bought over 13,000 metric tons of paddy from peasants. The paddy purchase plan is 12,000 metric tons. The service also bought over 250 metric tons of palm sugar, 500 kilograms of sandalwood, over 800 cubic meters of planks, over 11,000 pieces of bamboo, over 10 metric tons of liquid and crystalized resin, and over 400 metric tons of preserved and dried fish.

Takeo Province: Phnom Penh SPK in French at 0426 GMT on 21 September reports that since the beginning of the rainy season, peasants have tilled 112,000 hectares of land, grown 54,800 hectares of rice--37 percent of the plan--sowed more than 17,500 hectares of rice, and planted over 5,300 hectares of subsidiary crops. Phnom Penh Domestic Service in Cambodian at 0430 GMT on 21 September reports that up to the beginning of September more than 400 hectares of land were tilled; 420 hectares of rice sown and transplanted; and more than 2,000 head of oxen and buffalo, 90 head of horses, and thousands of pigs, chickens, and ducks raised in the provincial seat. Phnom Penh SPK in French at 1417 GMT on 25 September reports that 18,500 hectares of early rice were planted in Kiriwong District. The district received recently 43 metric tons

of chemical fertilizer, 300 liters of insecticide, and 120 sprayers and other agricultural tools. There are now more than 3,000 head of cattle, 13,850 pigs, and hundreds of thousands of chickens and ducks.

Kompong Speu Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 21 September reports that the provincial trade service recently bought more than 7,500 metric tons of paddy and over 25 metric tons of palm sugar from peasants. Phnom Penh SPK in English at 1121 GMT on 25 September reports that by mid-September peasants in this province had transplanted rice on 34,300 hectares, almost half of the plan. The planted area included 6,000 hectares of short-term rice, 12,000 hectares of medium-term rice, 15,000 hectares of long-term rice, and 1,000 hectares of high-yielding varieties.

Kompong Chhnang Province: Phnom Penh SPK in French at 0424 GMT on 22 September reports that up to mid-September the provincial trade service bought 136 metric tons of palm sugar, 800 metric tons of lotus grains, over 50 metric tons of beans, and hundreds of metric tons of forest products from peasants in this province. Phnom Penh Domestic Service in Cambodian at 1300 GMT 23 September reports that by 10 September, peasants in Kompong Chhnang Province tilled more than 44,000 hectares of land, broadcast and sowed almost 33,000 hectares of various types of rice, planted more than 4,300 hectares of corn and soya bean, and reclaimed over 5,400 hectares of land. Phnom Penh Domestic Service in Cambodian at 1300 GMT on 23 September reports that up to the beginning of September peasants in Baribo District tilled more than 6,000 hectares of land, broadcast and transplanted over 4,200 hectares of rice, reclaimed more than 300 hectares of land, and planted more than 600 hectares of vegetables and industrial crops.

Ratanakiri Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 22 September reports that by the end of July peasants in Veun Sai District had transplanted and planted over 1,000 hectares of various types of rice, planted 78 hectares of various subsidiary crops, and raised over 2,240 head of cattle and thousands of hogs and fowl.

Kandal Province: Phnom Penh SPK in French at 1213 GMT on 24 September reports that peasants in Kaoh Thom District have grown 2,430 hectares of rice, including more than 300 hectares of IR-36 variety, which is 80 percent of plan. A total of 100 metric tons of chemical fertilizer was provided by the state to this district. Phnom Penh radio at 0430 GMT on 24 September reports that by September peasants in Kaoh Thom District had harvested corn from 3,496 hectares of land, and by 11 September had sold 83 metric tons of corn to the state. Phnom Penh SPK in English reports at 1121 GMT on 25 September that Svay Rolum District has planted 540 hectares of rice. The district also put 67 hectares under subsidiary food crops.

Battambang Province: Phnom Penh radio at 0430 GMT on 24 September reports that the target for this year's rainy season rice production in Battambang District is 66,840 hectares. By September, peasants in this district tilled land more than planned, sowed almost 3,000 hectares of rice, and transplanted over 60,000 hectares of various types of rice. They are striving to fulfill

the plan by the end of September. At 1300 GMT on 25 September the radio reports that more than 47,400 hectares of land had been tilled and more than 190 hectares of intensive rice and over 170 hectares of jute planted in Mongkolborei District.

Kompong Cham Province: Phnom Penh SPK in English at 1121 GMT on 25 September reports that peasants in Tbong Khmum District sold to the state more than 1,000 metric tons of paddy, 160 metric tons of beans and 70 metric tons of sesame.

Phnom Penh: Phnom Penh SPK in French at 1213 GMT on 24 September reports that by mid-September, various suburban localities in Phnom Penh had transplanted, and sowed 1,490 hectares of rice--62 percent of the plan. The agricultural service provided 48 metric tons of chemical fertilizer, 615 liters of insecticide and 31 sprayers to peasants in these localities.

1500 4212/3

KAMPUCHEA

HENG SAMRIN GREETES TURKISH COMMUNIST PARTY

BK300715 Phnom Penh SPK in English 1141 GMT 29 Sep 83

[Text] Phnom Penh, SPK, September 29--Heng Samrin, general secretary of the Central Committee of the People's Revolutionary Party of Kampuchea, has greeted the Communist Party of Turkey on its 63rd anniversary and on the centenary of the great Turkish communist leader--the late Mustapha Suphi.

In a message to the C.P.T. Central Committee, the Kampuchea party leader said: "Over the past 63 years, braving all hardships brought about by imperialism and other reactionary forces, the Communist Party of Turkey has been upholding the spirit of struggle inherited from its leader, Comrade Suphi, a fervent patriot, to make itself stronger and stronger.

"I would like to express, on this occasion, our most cordial solidarity with and firm support for the Communist Party of Turkey and the patriotic and progressive Turkish people in your struggle for peace, independence, security, democracy and freedom.

"I believe that the solidarity and friendship between our two peoples will further develop and strengthen."

CSO: 4200/47

VODK ON SRV REINFORCEMENTS TO WESTERN AREA

BK180244 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
17 Sep 83

[Text] On 10 September, the Vietnamese sent 10 additional truckloads of fresh troops from Vietnam via Route 6 to the western battlefield of Kampuchea.

The UN General Assembly has adopted resolutions for the past four sessions demanding that the aggressive Hanoi authorities completely, immediately, and unconditionally withdraw their troops from Kampuchea. However, the Hanoi authorities have refused to comply. They pay no attention whatsoever to the condemnation and demand of this international community. Their only concern is to continue increasing the number of troops and frequency of arms supplies to Kampuchea, escalating their war of aggression and intensifying the massacre of the Kampuchean people in an attempt to exterminate the Kampuchean race by all means. Now, the 38th UN General Assembly is drawing near. Yet, the aggressive Le Duan authorities have not shown any sign of making preparations to withdraw from Kampuchea in order to settle the Kampuchean issue peacefully. On the contrary, they have been sending additional fresh troops from Vietnam to the Kampuchean battlefield and have been arrogantly maintaining that they will not withdraw their aggressive troops from Kampuchea as long as the so-called external threat to Kampuchea continues to exist.

All of this clearly reflects the stubbornness, brutality, fascist-mindedness, penchant for the law of the jungle, and bullying nature of the Hanoi authorities. It also confirms the reality of the war of aggression and genocide currently waged by the aggressive Le Duan authorities in Kampuchea.

CSO: 4212/3

KAMPOT MEETING HAILS RECRUITING DRIVE EFFORTS

BK230615 Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Sep 83

[Text] On 3 September, a meeting was organized at the Kampot District People's Revolutionary Committee office to acclaim 75 youths who have voluntarily joined the army.

Comrade (Mak Than), vice chairman of the Kampot District People's Revolutionary Committee, spoke of the brilliant success of Kampot District in recruiting soldiers according to plan. The comrade also expressed his profound gratitude to our people in Kampot District for their heroism in allowing their beloved children, grandchildren and husbands to serve the army in order to sweep out the enemy remnants from our territory. Comrade (Mak Than) highly praised the valiant and courageous spirit of our youths who understand their role and duty as the nation's pillar, and are ready to sacrifice their lives for our revolution's noble cause. In conclusion, the comrade advised the new combatants to observe discipline and the organizational structure in order to be model combatants. It is also necessary to always maintain a patriotic spirit, to wipe out all enemies on our territory and to advance our country and nation toward prosperity. In particular, it is also necessary to preserve Kampuchea-Vietnam friendship ties as the apple of our eye.

CSO: 4212/3

BRIEFS

HUNGARIAN AID--On 2 September, Comrade (Janmos Zazi), first secretary of the Hungarian Embassy in Kampuchea, handed over 2,200 meters of cloth--gift of the National Council of Hungarian women to the central Kampuchean women's association--to Comrade Chhuk Chhim, vice chairman of the central Kampuchean women's association. Comrade Chhuk Chhim deeply thanked the Hungarian people for their gift which reflects the relations of friendship, solidarity, and cooperation between the Kampuchean and the Hungarian peoples. [Summary] [BK040656 Phnom Penh Domestic Service in Cambodian 0430 GMT 3 Sep 83 BK]

RED CROSS AID DISTRIBUTION--During the first half of 1983, Preah Vihear Provincial Red Cross distributed a quantity of humanitarian aid to people in Kulen, Choam Khsan, and Chhep districts. This includes clothes, sewing material, blankets, mosquito nets, toys, and school material. In the same period, the provincial Red Cross Committee also distributed aid to people living in drought-affected areas such as Rovieng, Sangkum Thmei, and Tbeng Meanchey. [Text] [BK141705 Phnom Penh Domestic Service in Cambodian 0430 GMT 13 Sep 83 BK]

RED CROSS AID--Last August, the Red Cross Society of Battambang Province distributed 1,620 kg of rice and a quantity of international humanitarian organizations' gifts to the people in various districts of the province. The rice was distributed to the people in Sangke, Moug Russei, Ratanamondol, Mongkolborei, Sisophon, Phnum Srok, and Thmar Puok districts. A quantity of goods such as mosquito nettings, cloth, sarongs, towels, mats, white sugar, milk powder, vegetable oil, canned meat, and other necessary items was distributed to the people in drought-hit areas, such as in Battambang District and in the provincial town. [Text] [BK141705 Phnom Penh Domestic Service in Cambodian 1100 GMT 12 Sep 83 BK]

REINFORCEMENTS IN SIEM REAP--On 10 August, the Vietnamese enemy brought 10 truckloads of reinforcements from Vietnam to station them along Route 6 to the west in Siem Reap battlefield. The Le Duan Vietnamese enemy aggressors have no good will with which to find a political solution to the Kampuchean problem. They have persisted in sending more and more reinforcements to commit aggression and exterminate the Kampuchean people and threaten neighboring countries in this region. We have no illusions about this maneuver. We are still determined to fight the Le Duan Vietnamese enemy aggressors until they are scattered and forced to withdraw all their

aggressor forces from Kampuchea and let the Kampuchean people decide their own destiny in accordance with the UN resolutions and the International Conference on Kampuchea. [Text] [BK170500 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2300 GMT 16 Sep 83]

HARASSMENT AT TONLE SAP--On 9 September, a Vietnamese enemy platoon posted at (Kbal Taol) village, along the Tonle Sap bank in Battambang Province, confiscated 25 boats from our people and threatened that those who dared to resist would be promptly executed. At the same time, the Vietnamese enemy banned our people from venturing out of their villages to earn a living. [Text] [BK230324 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 21 Sep 83]

CABLE FROM INDIAN PRESIDENT--His Excellency Zail Singh, president of the Republic of India, recently sent a message of thanks to Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State. The message stressed: I extend warmest thanks to your excellency for your good will in sending a congratulatory message to me on the 36th independence day of the Republic of India. I wish your excellency good health and happiness and the friendly Kampuchean people peace and well-being. [Text] [BK220616 Phnom Penh Domestic Service in Cambodian 0430 GMT 22 Sep 83]

PERU, ROMANIA MESSAGES OF THANKS--Khieu Samphan, Democratic Kampuchean vice president in charge of foreign affairs, recently received messages from His Excellency Fernando Schwalb Lopez Aldana, prime minister and foreign minister of Peru, and His Excellency Stefan Andrei, foreign minister of Romania. In their messages, the Romanian and Peruvian leaders expressed warm thanks to Vice President Khieu Samphan for his congratulations on the national day anniversaries of the Republic of Peru and the Socialist Republic of Romania. [Text] [BK280200 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 27 Sep 83]

CADRE FORMATION--Phnom Penh, 1 Sep (SPK)--A course for 168 juridical and administrative cadres was completed in Phnom Penh on Wednesday. For 3 months, the trainees had studied politics, socialist legislation, and administrative and juridical responsibility. A total of 620 such cadres have been trained so far. The closing of the latest course was attended by Chea Soth, member of the Political Bureau of the Central Committee of the People's Revolutionary Party of Kampuchea and vice chairman of the Council of Ministers. [Text] [BK040656 Phnom Penh SPK in English 1127 GMT 1 Sep 83 BK]

YOUTH DELEGATION--Phnom Penh, 1 Sep (SPK)--A delegation of the revolutionary youth organization of Kratie Province has paid a visit to the Vietnamese province of Song Be. It compared notes with a delegation of Vietnamese youth on organization, education, and mobilization of the young people in national defence and construction. The two delegations discussed measures to reinforce solidarity, cooperation and mutual assistance between the young people of the two countries. [Text] [BK040656 Phnom Penh SPK in English 1129 GMT 1 Sep 83 BK]

VISIT TO VIETNAM--Phnom Penh, 31 Aug, (SPK)--Kampuchean specialists in meteorhydrology led by Mat Ly, deputy minister of agriculture, went to Hanoi on Monday at the invitation of Vietnam's General Department of Meteorology and Hydrology. They held talks with their hosts on extending the cooperation between the two countries in this field. The two sides also exchanged experiences. [Text] [BK040656 Phnom Penh SPK in French 0426 GMT 31 Aug 83 BK]

CSO: 4219/2

SRV LEADERS THANK COUNTERPARTS FOR GREETINGS

BK280600 Vientiane Domestic Service in Lao 0000 GMT 28 Sep 83

[Text] Comrade Le Duan, general secretary of the CPV Central Committee; Comrade Truong Chinh, chairman of the SRV State Council; Comrade Pham Van Dong, chairman of the Council of Ministers; and Comrade Nguyen Huu Tho, chairman of the SRV National Assembly, recently sent a message of thanks to Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, and Comrade Souphanouvong, president of the LPDR and chairman of the SPC. The message reads as follows:

We would like to convey thanks and gratitude to you, the LPRP Central Committee, the SPC, the Lao Government and the fraternal Lao people of all tribes for sending fine greetings to us on the occasion of the 38th anniversary of the SRV's national day.

We are very happy to see how the special relations and all-round cooperation between our two parties and countries, based on the various principles of Marxism-Leninism and socialist internationalism, have been ceaselessly consolidated and strengthened and developed.

We wish the fraternal Lao people of all tribes, under the correct leadership of the LPRP led by Comrade Kaysone Phomvihane, greater successes in the cause of defending and building socialist Laos, thus duly contributing to consolidating and developing the relations of special solidarity and friendship among the three nations of Vietnam, Laos, and Kampuchea and to the cause of peace in Southeast Asia and in the world.

May the great friendship and all-round cooperation between our two parties, states, and peoples last forever!

On the same day, Comrade Nguyen Co Thach, foreign minister of the SRV, also sent a message of thanks to Comrade Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister of the LPDR.

CSO: 4206/7

RESOLUTIONS OF CHINESE SCHOOLS NATIONAL CONFERENCE

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Aug 83 p 3

[Text] The 3rd National Chinese School Administrators Seminar proposed that Chinese school curricula must take into consideration the objective environments prevailing in our multiracial country and must carry forward the spirit of nationality, rule of law, science and patriotism.

This was one of the proposals concerning the guiding principles for running Chinese schools brought up after committee discussions on the "Proposals for Chinese Schools, 1983" yesterday. Seminar Chairman Kuo Chu [phonetic] made a summing-up of the committee discussions.

Regarding the mission of Chinese schools, the committee proposed the following amendments:

1. A basic education comprises 12 years of primary and secondary schooling. The independent Chinese middle schools aim at completing the Chinese aspect of this basic education and cultivating talents for national construction.
2. The independent Chinese middle schools form the steps for Chinese primary schools to proceed to colleges and universities and to prepare for employment.
3. The 6-year Chinese primary school is not sufficient to safeguard and carry forward Chinese culture. To this end, we must rely on the Chinese middle schools to cultivate a basic understanding of Chinese culture for our next generation.
4. Chinese middle schools should teach Chinese, Malay and English languages to enable students to have a fundamental understanding of various cultures, and absorb and blend the fine points of domestic and foreign cultures for the creation of a Malaysian culture.

As regards policies for running a school, the committees brought forward the following proposals:

1. Firmly use the Chinese language as the principal teaching medium to realize the mission of a basic Chinese-language education;

2. teach and develop the excellent points of Chinese culture to enrich the society and culture of our multiracial country;
3. Malay and English should be taught as second languages in line with the unified government examination standards, or the Malay SPP level and English SPM 122 level for Grade 12 classes;
4. firmly maintain the traditional superiority of independent Chinese schools in math, science and good conduct subjects;
5. the main teaching target is not for the sake of taking part in and passing a government exam; however, if a student wants to sit for the exam, he may be given proper guidance in private lessons;
6. technical and vocational subjects may be given according to need; however, independent Chinese schools cannot be turned into purely technical vocational schools, thereby violating their Chinese-language education mission.

With regard to education for students of outstanding ability and for others of general ability, the consensus of the committees is that independent Chinese middle schools should give a higher priority to all-round education, but without neglecting students of outstanding ability or setting aside the guiding principles of the Chinese schools.

After a collective discussion, participants in the seminar brought forward the following proposals:

1. mastering languages and the technique for passing an exam are two entirely different things; scholars should pay attention to the contents of learning and train students how to grasp languages, but not to teach them how to pass an exam;
2. at present the Language Bureau or the authorities cannot provide Chinese schools with suitable Malay or English textbooks for our students to learn the national and the second languages, so we must prepare and compile the textbooks on our own;
3. English is also to be taught in our schools as a second language, and we must also produce the English textbook ourselves;
4. demands and hopes of parents have become a social pressure on school teachers, but the latter must analyze whether their demands are reasonable or not and at the same time give consideration to the ability of the students;
5. besides basic education, the independent Chinese middle schools must pay attention to technology and employment problems of the students;
6. according to government regulation, a student must possess an SPM diploma to qualify for government or vocational training, so some people think taking part in a public exam has some value. If Chinese school students wish to sit for such an exam, they should be given an opportunity to do so by giving

them private lessons; however, we must not neglect our guiding principle of safeguarding and developing Chinese culture;

7. school authorities must be realistic and pragmatic, reporting both the good and the bad, in order to run the school well and render beneficial service to students and their parents;

8. Independent Chinese middle schools should instill a proper outlook on life into the students' minds.

Lim Hong Sing, chairman of the Federation of Boards of Trustees of Chinese Schools, hoped that, as shortages of qualified teachers has always been a factor in developing Chinese schools, the salary of Chinese middle school teachers can gradually be increased to make it comparable with that of national middle school teachers.

He made this proposal during the Third National Chinese School Administrators Seminar at Cameron Highlands today.

Lau Sik Tong proposed that Chinese teachers get organized and study teaching methods in coordination with the Federation of Chinese Teachers and Chinese Assembly Halls.

Conference chairman Chen Kai confirmed that the shortage of teachers in independent Chinese middle schools is getting more and more acute, and their mobility is also great. This is mainly attributable to poor salary.

As a result, there are more women teachers than male teachers in these Chinese schools, which, in turn, creates a problem involving student discipline.

He said that teachers' training is also important. With science marching forward by leaps and bounds, most teachers, due to pressure of work, cannot absorb new scientific knowledge. Therefore, it is advisable that teachers should exchange their experience with one another, or else they will become stagnant. Apart from that, a teacher must also know how to express himself and get his points across to his classes.

Rejuvenating the teaching staff of independent Chinese middle schools forms an important link. We must not merely gear our school curricula to taking part in government exams, but we must have talent to run the schools well, otherwise we cannot realize our goals.

Henceforth, he continued, we must lay more stress on the problem of how to recruit new teachers and how to train them properly.

The quality of our teachers will decide the future of our Chinese society. We need good teachers in order to get good students in order to get a good nationality and, furthermore, to get a good nation, he concluded.

9300

CSO: 4209/19

MCA SEEKING UNITY IN CHINESE COMMUNITY

Kuala Lumpur NEW STRAITS TIMES in English 12 Sep 83 p 2

[Text]

PENANG, Sun. — The MCA is implementing its political blue-print to consolidate the party and cement closer ties with the Chinese community to achieve Chinese unity for National unity, MCA acting national president Datuk Dr Neo Yee Pan, said here today.

He said that the blue-print formulated during the leadership of Datuk Lee San Choon remained the party's guiding formula for progress which he believed would provide the basis for the Chinese community to move ahead in the various fields of endeavour.

The eight-point plan of the blue-print incorporating the party's 10 projects and innovative concepts of responsibility was a positive approach towards promoting self-consolidation of the Chinese community through the principle of self-reliance, he added.

Opening the 8th State MCA delegates' annual convention, Datuk Dr Neo, who is Minister of Local Government and Housing, stressed that they could not remain complacent for to do so would be detrimental to the interests of the community.

The MCA on its part would push on and continue its political struggle and mission as

envisaged in the party objectives and the formula for progress in the blue-print, he added.

Datuk Dr Neo said there was enough room in the MCA to accommodate able and talented members who aspire to reach the leadership level.

But this must be done in an orderly manner so as not to affect party unity.

They must endeavour to create opportunities for able and talented members to emerge in order to harness a continuous echelon of leaders who would assume the reins of leadership when the time came, he added.

The rapidly changing political and socio-economic development taking place necessitated that the MCA, as a political party, keep pace with them in order to be able to continue to play an important role in leading the community.

Datuk Dr Neo said the holding of State conventions was part and parcel of the MCA to instill the concept of accountability in the party and provided an avenue for members to discuss and review the party progress at State level as well as to chart new programmes. — Bernama

HAMIM CALLS FOR MALAY-MUSLIM UNITY

Penang THE STAR in English 29 Aug 83 p 9

[Text]

PASIR PUTIH, Sun. — Hizbul Muslimin (Hamim) party president Datuk Haji Asri Haji Muda said yesterday his party would launch a nation-wide campaign to unite the Malays who were divided due to differences in political beliefs.

He said if the Muslims, particularly the Malays, were not on good terms with each other, the country may disintegrate.

Hamim, he added, would continue in its efforts to form an Islamic society that was strong and united.

"Disunity would only weaken the Muslims and their political strength," he said at a ceramah for the Hamim candidate for the Selangor State seat at Selangor.

Haji Mohamed Nawi Awang, who is Hamim's Youth leader here, will contest

for the seat with PAS and Barisan Nasional candidates.

Datuk Haji Asri urged the Muslims in the country to refrain from calling their Muslim brethren from Umno infidels.

He said the difference between PAS and Hamim was that Hamim stressed on unity among Muslims because it was aware that peace in the country was important.

He denied allegations that Hamim's decision to contest in both the Selangor and Kemuning by-elections was to support the Barisan Nasional candidate.

He said Hamim supported the Government in its efforts to blend Islamic values in the administration of the country. — Bernama.

CSO: 4200/43

JOHORE CRACKS DOWN ON UN-ISLAMIC ACTIVITIES

Penang THE STAR in English 8 Sep 83 p 10

[Article by Kalimullah Hassan]

[Text]

JOHORE BARU, Wed. — The Johore religious department is cracking down on un-Islamic activities and "offenders will be lucky to get off without a prison sentence," State Religious Committee chairman Datuk Haji Yunus Saleman said today.

Datuk Yunus said the department decided to mete out stiff sentences when it found that continued raids by its enforcement squad did not deter Muslims from going against the syarak (Islamic laws).

"It appears as if these people are challenging the syarak and Islam. It is only right that stiff sentences be meted out to deter them," he said in an interview.

Offences include khilwat (close proximity), illicit intercourse, immoral earnings and drinking of liquor.

Datuk Yunus said no one would be spared — "whether they are big shots or ordinary people."

"People should not complain when given stiff sentences because despite constant raids by the department, they still persist in such activities," he said.

"There is only a slim possibility of offenders escaping without jail sentences."

Since the Johore Religious Department Administration Enactment (1978) was passed, jail sentences were only rarely meted out.

Datuk Yunus said under the rules of the enactment, people who contravene the syarak are liable to be fined a maximum of \$1,000 or jailed six months or both.

The department's enforcement squad raided hotels, nightclubs and lovers haunts on Sunday and arrested 41 people, including 28 women.

Several of those who have been charged were fined between \$400 and \$1,000 and all received jail sentences ranging from two to four months.

Datuk Yunus said stiffer sentences were imposed because it was observed that Muslims were not deterred by fines alone.

He reiterated that the enforcement squad would continue constant checks and raids on pubs, hotels, nightclubs and lovers haunts to weed out offenders.

He appealed to the public for information on people who committed such offences in private houses so that such offences could be eradicated.

BROADER ROLE FOR ISLAMIC BODY IN GOVERNMENT POLICY

Kuala Lumpur BUSINESS TIMES in English 12 Sep 83 p 2

{Text}

THE Islamic consultative body will be given a broader role in evaluating all aspects of government policy, Minister for Culture, Youth and Sports Encik Anwar Ibrahim told Malaysian students at Malaysia Hall here yesterday.

Encik Anwar said that this was his reply to those who had accused the government of having a secular outlook.

A secular government would not have formed such a body to ensure that government policies were in conformity with Islam, he said.

Addressing himself to student critics who are active in the Islamic movement, he said that they ought to realise that changes took time.

"We are working and things are going to change," he said, "but it takes time."

He denied that the setting up of an Islamic university and the Islamic

bank were acts of tokenism to placate Muslim critics of the government.

"A good government is sensitive to the wishes of the people," he said.

He reminded the students that half the population of Malaysia were non-Muslims, and it would be necessary to explain things to them, and win them over before further changes could be effected.

"When I was in Australia recently, I was told that Malaysia is another Iran. My reply to them was: we are using our own experience and are assessing our own capabilities before instituting change. Do not get unduly excited," he said.

Asked about the Internal Security Act (ISA), of which he was himself a harsh critic, he said:

"The original basis for introducing the ISA as a weapon against the Communists was supported

by both the Umno and Paa but if it is extended to other uses against individuals, and I admit that this had happened, that I disagree with.

"Due process of law has to be applied on ordinary people," he said, "but those who declare war on the government, for example, the communist terrorists, then we declare war on them."

"The present leadership has committed itself to this. Those who take a shot at our army do not do so out of personal grudge, but on ideological grounds," he said.

He added that he was, however, in favour of extending the use of the ISA on drug traffickers, who inflict great harm on the people.

On his responsibility towards the creation of a national culture, he said that the basis would be Malay culture.

"But there would be no compromise on two is-

LONDON, Sept 11

suess: the accommodation of other cultures, and the question of Islam," he said.

He said he would oppose Malays who objected to the accommodation of other cultures as he would oppose non Malays who objected to the use of Malay culture as the basis of the national culture.

He said that he would be meeting with Chinese cultural bodies to hear their views on this.

Encik Anwar also said that he was personally against the policy of sending young students to live with non Muslim families overseas.

He said that although there were only about 40 students so placed, he disagreed with the policy if it involved very young impressionable Muslim students.

He said that he would take up the matter with the Education Ministry - Bernama

PRIME MINISTER'S ASSURANCE ON CONSTITUTIONAL AMENDMENT

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 3 Aug 83 p 27

[Editorial]

[Text] During the second reading of the constitutional amendment bill in Parliament the other day, Prime Minister Datuk Sri Dr Mahathir pointed out that most of the articles in the constitution need to be amended in order to clarify and wipe out any possible misunderstanding. He also stressed that the amendment is not done in a highhanded manner and that it will not destroy the original letter and spirit of the national constitution.

The constitution is the fundamental law of a nation. As the Book of Tang said: "Abide by the constitution always, in order to set an example for posterity." We should feel fortunate that after being tested for 26 years, our constitution still stands erect. By contrast, in certain countries the judiciary, which is supposed to defend the constitution, is either trampled or regarded as nothing more than a decorative vase. Other countries even have their constitution torn to pieces by dictators. By comparison, we should feel proud of our respect for our constitution.

However, since a constitution constitutes the organizational law of a nation, it should undergo, if deemed necessary, occasional changes to meet the requirements of the country. In this connection, an Independent Constitutional Commission headed by Lord Reid, which was responsible for drafting our federal constitution, made this suggestion: "We must not make the manner of amending the Malayan Constitution too difficult, otherwise it would create the disappointment of being defeated; it should not be made too easy either, otherwise it would seriously falter and weaken the safeguarding of the constitution."

Consequently, we must first of all realize that amending a constitution is a significant national event. If we must amend our constitution in order to suit our national changes, we must be sure that the amendment will not affect the spirit and letter of our constitution. This was precisely the reason behind Prime Minister Mahathir's explanation for the Constitutional Amendment Act.

This time the most important part of the constitutional amendment involves an increase of parliamentary electoral districts from the current 150 to 176. The reason is that since the delineation of the districts in 1973, the number of voters has increased by 50 percent. It is, therefore, obviously essential that the districts be increased in number in order to extend the people's right of representation and strengthen the government administrative efficiency. As a matter of fact, the big influx of rural inhabitants to the urban areas no longer reflects the true conditions of the distribution of voters. And this makes it all the more urgent to amend the articles concerning this matter.

Another attractive item involves an amendment whereby it would no longer be lawfully possible to appeal any legal case, including civil cases, before the British Privy Council and whereby the name "Federal Court" be changed into "High Court." Ever since our independence, the relationship between our country and our former suzerain state, Great Britain, has been getting further apart. Although we have emulated England for our judiciary system, we have learned so much in this field by now that it no longer stands to reason for us to let the British Privy Council stand over and above our Federal Court. As a matter of fact, such an amendment would strengthen the respect and authority of our judiciary institutions as we will become completely free and independent.

As regards the proposed amendment concerning the authority of deputy ministers and high-ranking administrators, the aim of upgrading their powers in exercising their duties is evidently to enhance the efficiency of our government administration.

Some of the amended articles are meant to improve our efficiency, while others are deemed essential, but basically these amendments coincide with the prime minister's assertion that they will not destroy the spirit and letter of our constitution.

9300

CSO: 4205/19

FILIPINO REFUGEES FIND HAVEN IN EASTERN MALAYSIA

Bangkok BANGKOK POST in English 13 Sep 83 p 8

[Article by Robert Mahoney]

[Text]

SEMPORNA, Malaysia THE American drawl and the loud Western clothes scream for attention above the market hubbub of fishermen and hawkers crammed onto a rickety wooden jetty at Semporna, a thriving fishing port on the eastern fringe of the Islamic world.

"Hey Joe, you wanna buy some crabs?" asks the pedlar excitedly as he holds aloft a string of neatly trussed live crabs, their multi-coloured shells a perfect match for his garish check golfing trousers.

The rare sight of a Western face could mean a sale, and that is important for a refugee from the Philippines.

Like tens of thousands of his countrymen, Ahmad has hopped across the stepping stone islands linking the southern Philippines and Malaysian Borneo to escape fighting between Muslim separatist rebels and President Ferdinand Marcos's mainly Christian army.

He now lives in the relative safety of a water village, a jumble of wooden huts on stilts on the shores of the Sulu Sea which is the main source of income for Malaysians and Filipinos alike in this remote corner of eastern Sabah.

He has done fairly well in the five years since he whisked his family away from the upheavals on the Philippine island of Mindanao to the relative prosperity of the timber and oil-rich Malaysian state of Sabah.

He is now part of the Filipino refugee community unofficially

estimated at more than 100,000. It has spread along the east Sabah coast since Moro National Liberation Front (MNLF) guerrillas first revolted against the Manila Government in the early 1970s.

There has long been a natural flow of people between the ethnically similar Muslim inhabitants of east Sabah and the southern Philippines but the imposition of martial law by President Marcos in 1972 turned it into a flood.

That surge has since abated, but Filipinos continue to slip into Malaysia daily on the swift narrow fishing boats and outriggers that have eluded both Customs patrols and pirates for years.

They help the state to cope with its chronic labour shortage providing workers for the construction and timber industries. Many are fishermen or small-time traders and a few earn a little on the side dabbling in the region's two oldest professions—smuggling and piracy.

Integration is not a problem since many are from the same stock as the local people and share a common cultural, linguistic and religious background.

Sabah was once part of the Muslim Sultanate of Sulu, the first centralised political bureaucracy in the Philippine islands. It was the leading state in the South Seas commercially and culturally for nearly 400 years after the arrival of Arab traders and missionaries in the 14th century.

Even today the Philippines has not formally dropped its ter-

ritorial claim to Sabah, prompting Kuala Lumpur and Manila to sever diplomatic ties twice in the 1980s.

The Philippines is only four hours by boat from Semporna, a mere pleasure cruise to sea-faring tribes like the Badjaws or Sea Gypsies whose palm thatch-covered craft ply the coral islands and fertile fishing grounds of the Sulu archipelago.

Despite mounting heavy marine police patrols and occasional identity sweeps the Malaysian authorities generally look kindly on the Muslim newcomers.

Once ashore all a Filipino has to do is reach an immigration office undetected and register for a work pass. This precious document allows him to stay in Malaysia and find a job.

The lucky ones might even be given one of the refugee houses now being built by the United Nations High Commissioner for Refugees (UNHCR) along the east coast.

A would-be settler caught before "touching base" and registering is merely escorted out of Malaysian territorial waters by marine police, explained Kaiser Zaman, UNHCR representative for Sabah.

"He can, and usually does, attempt to slip back in again by another route," he said.

Police sometimes round up unregistered Filipinos in big towns like the eastern port of Sandakan or the state capital of Kota Kinabalu but the Filipinos were generally well treated, Kaiser said.

Their reception is certainly different to that given to Southeast Asia's most widely-publicised refugees, the Vietnamese boat people who land along the predominantly Muslim east coast states on the Malaysian peninsula.

The Vietnamese, some of them ethnic Chinese, are officially termed illegal immigrants by the Malaysians and sent to camps to await resettlement in third countries like the United States, Australia, Canada and France.

But for the Filipinos Malaysia is the country of first and last asylum as no Western nations offer to take them, refugee officials in Kuala Lumpur said.

Although some Filipinos flee their homeland in fear of their lives, many so-called refugees

would be better described as displaced persons or even economic migrants, the officials said.

"Political upheavals and lawlessness make the business of earning a living difficult in some of these Philippine villages. If you know that you can get stability and higher wages for just the price of a boat ride then you don't agonise over the choice of whether to stay or leave," said one official.

The political turmoil sometimes spills over to the Malaysian side of the border with the bloody settling of old scores and revenge killings.

In the most recent case, seven gunmen shot up a makeshift refugee settlement on the fishing island of Pulau Timba Timba in

July, killing a family of five including three young girls.

But despite occasional complaints from Malaysians that the refugees are too numerous and are pushing up the local crime rate the Filipinos are usually welcome, the officials said.

Not only Muslims are using the Sabah backdoor to safety. As the focus of Philippine insurgency shifts north with the emergence of the communist New People's Army an undisclosed number of Christian and non-Muslim refugees have started arriving in Malaysia, the officials said.

Becoming Muslim is a qualification for refugee status, most of the predominantly Catholic Filipinos hastily embrace Islam and change their names to slot easily into the local scene, they said. *Reuter*

001 6/00/66

SARAWAK CHIEF MINISTER ANALYZES LOCAL POLITICS

Penang THE STAR in English 5 Sep 83 p 4

[Interview with Datuk Patinggi Taib, chief minister of Sarawak and PBB president, by Ainuddin Dahlan; date and place not given]

[Text]

The Star: How do you feel about the new political party, Parti Bangsa Dayak Sarawak?

Datuk Patinggi Taib: We have to recognise it. As far as I'm concerned, we should try and find out how it will fit our system. The PBDS leaders get along very well with the rest of the Barisan Nasional leaders at State level. What I'm trying to do is to maintain inter-racial harmony and, at the same time, have maximum representation from all races. We can then work together for the State's development. This is my aim.

Q: Do you see PBDS as a threat to PBB?

A: This, we have to see. But I don't expect so because they want to be part of Barisan.

Q: What about PBDS pulling members away from both PBB and SNAP and eventually taking over here?

A: If they do, they will have to fight all of us. As a new party, they cannot do this. It will be too much for them to simply start something. I don't think the leaders will do this.

Q: Not even with the general election just more than a year away?

A: The leaders of this party can study the situation. I don't think they will go all out to rob SUPP and PBB of their members. They have enough problems in trying to find what seats they can get from SNAP and what seats will be left to SNAP. It does not come as a contender to PBB now.

(The SNAP crisis began when its president, Datuk James Wong, sacked vice-president Daniel Tajem last year. After this, two camps emerged and Mr Tajem, a Dayak, left the party and formed the PBDS with other Dayak chiefs.)

Q: Do you think this is the tip of the iceberg and that there is more to come from SNAP?

A: No. In fact, this is the final stage of what has been developing over the last few years.

Q: What is your stand regarding the PBDS in Barisan?

A: Things have happened. As a State leader, how do you deal with them? They cannot be reconciled into one party. My feelings towards SNAP and PBDS are that I wish both would be in the Barisan so that they can work together and forget the quarrels. Of course this is not easy and it takes time. So I need a cooling-off period. I believe that in time it will be all right.

Q: What would you advise the people of Sarawak to do in view of the current situation?

A: I advise them to keep calm. They can judge for themselves later, or towards the general election, and decide.

Report by Watan

Q: What are your views on the allegation by Watan that you went on a car-bumping spree when you became Chief Minister?

A: They accused me of buying government cars when I became CM. I did not do that. My Deputy Minister is still driving cars twice the age of cars Federal Ministers use.

Q: When did the State Government buy the BMWs then?

A: The ones that you see now were bought by Tun Datuk Patinggi Abdu. Rahman when he was Chief Minister. I inherited them a long time ago. Do you know why I use the Rolls Royce? Because I don't want to buy another car. There are many Rolls Royces in Sarawak. Rather than keeping it in the garage and letting it rot, I took it as my official car.

I have not bought a car for my own as Chief Minister. The Watan report is incorrect.

Sarawak in Malaysia

Q: Will Sarawak ever leave Malaysia?

A: As long as I live, I will do my best to keep Sarawak within Malaysia.

Passports to enter Sarawak

Q: Two months ago, you announced over TV that the Sarawak Government was looking into the abolition of passports for peninsula settlers. Will you elaborate on this?

A: The details are being worked out. We want to find out how to abolish passports between territories. This is

different from abolishing the power of the State Government on immigration. We will keep that power because the situation has not completely changed yet.

For example, we don't want to have an easy flow of, say, communist supporters into the State. Then there are reservations by Sarawakians that if the integration is not well graduated, they will end up losing job opportunities. These are their feelings. Whether they are true or not is a different matter.

Q: I understood that the reason behind the imposition of passports when Malaysia was formed was because Sabah and Sarawak did not have capable people to take the top government posts. They were afraid that people from the peninsula might come over and grab the important jobs.

A: There were some who felt like that before. But I also know that it is not easy to persuade people from the peninsula to work and settle in Sabah and Sarawak. We are abolishing passports to make it easier for people to visit each other but the immigration law stays.

The other reason for the introduction of passports was that when Malaysia was formed, Singapore was facing an unemployment problem. There were many violent leftists there at that time and Sarawak wanted to get away from them.

Q: When will the abolition of passports take effect?

A: I don't know. Every thing is being decided by the Home Ministry and I have given my views on this. Since all immigration officers are federal officers, the system is managed by the Federal Government. It is now between the immigration and the Home Ministry to sort out the problem. The decision is no longer ours but we retain the power to stop people from entering the State.

DAP and Sarawak

Q: When this (abolition of passports) takes place, will you allow people from the opposition party from the peninsula to visit the State?

A: It depends on the person. This is a fairly peaceful State and if someone comes here to upset everybody, we have to kick him out and we don't have to give any reason for it.

It is not a myth that people like Kit Siang (DAP secretary-general) have been stopped from entering Sarawak. When you give people like him absolute freedom, he will turn this place upside down. I'm not going to let him do that, or for that matter Karpal Singh (DAP MP for Jelutong). If Lee Lam Thye (DAP deputy secretary-general and MP for Kuala Lum-

pur Bandar) comes, I don't think he is likely to be rejected. It depends on the person.

Q: How do you intend to keep tabs on all the leftists and communist supporters who enter the State?

A: We have a blacklist. If there are no more immigration laws, we won't keep a blacklist of all Malaysians — only a foreign blacklist.

CSO: 4200/43

NEW SARAWAK PARTY ENTERING BARISAN

Penang THE STAR in English 14 Sep 83 p 6

[Article by N. V. Raman]

[Text]

KUALA LUMPUR, Tues. — The Parti Bangsa Dayak Sarawak (PBDS) will be officially launched on Thursday in Kuching by its protem president Datuk Lee Moggie.

The launching is the latest in a series of indications that early State elections are likely. The Government's term does not expire until next September but a snap poll is likely to be held either in the next two months or in March.

It is understood that two of the three Sarawak Barisan Nasional component parties have accepted invitations to attend the PBDS launching ceremony — implying open

support of the new party which, technically, is still in the opposition ranks.

The two, which will send representatives, are the Parti Pesaka Bumiputera Bersatu (PBB) headed by Sarawak Chief Minister and State Barisan chief Datuk Patinggi Abdul Taib Mahmud and the Sarawak United People's Party (SUPP), headed by Federal Science, Technology and Environment Minister Datuk Amar Stephen Yong.

The third Sarawak Barisan member, the Sarawak National Party (SNAP), has gone all out to discredit the PBDS since the new party was formed in July by a breakaway group of Dayak leaders from SNAP.

Since the formation of the PBDS, it has gathered together 11 members of the Sarawak Council Negri (State Assembly) and four MPs, including Datuk Moggie, who is Federal Energy, Telecommunications and Posts Minister.

The PBDS was formed after Sarawak Deputy Chief Minister and SNAP vice-president Mr Daniel Tajem was expelled from the party in June.

The other Dayak leaders then quit SNAP, claiming that the party had strayed from its original mission of helping the impoverished Dayaks.

(SNAP president Datuk James Wong has maintained that the party is a

multi-racial one and should base its struggles on this line rather than fight for any single one community even though SNAP gets its support mainly from the Dayaks, who form the majority of the population in Sarawak.)

Since then, SNAP has opposed the PBDS's application to join the Barisan and has openly objected to Datuk Patinggi Taib's decision to retain PBDS leaders in their respective portfolios in a "Barisan-plus" government.

It is understood that SNAP, especially Datuk Wong, has refused to back down from the party's stand of opposing the PBDS despite Datuk Patinggi Taib's fears that the crisis could cause political instability and racial friction.

Sources said that Prime Minister and Barisan chairman Datuk Seri Dr Mahathir Mohamed had a short meeting with Sarawak Barisan leaders in Kuching on Saturday after opening the PBB convention but nothing substantial came out of it.

"It was more a getting-to-know you kind of meeting rather than a serious discussion of the issue," sources said.

But it is understood that Federal Barisan leaders fully back Datuk Patinggi Taib's decisions on the matter.

In fact, there could be moves soon to get Datuk

Wong to step down as SNAP president and pave the way for PBDS to be accepted into Barisan.

Or, the Barisan could well give SNAP an ultimatum — accept the PBDS application or leave Barisan.

But Datuk Wong is unlikely to leave quietly. Political leaders in Kuching say he has even hinted that he may dissolve SNAP and throw his weight behind some other opposition party if the Barisan does not back him in this crisis which he says is "a matter of principle."

Despite having to wrestle with this problem, Datuk Patinggi Taib has emerged from the two-day PBB convention with his hand strengthened within his own party.

By getting the PBB Supreme Council to "freeze" the post of party deputy president he has now got carte blanche from the party to appoint his own man to the post. (There are two such posts in the PBB and traditionally, one is reserved for the Dayak members of the PBB. Five candidates were vying for the other post which is reserved for the Muslim contingent in the party.)

Datuk Patinggi Taib gave his first hint of early State elections in his presidential address to the party when he told PBB members to prepare themselves for the "real examination."

The Chief Minister also defused another potential crisis when he publicly apologised to the Yang di-Pertua Negri, Tun Datuk Patinggi Abdul Rahman Yaakub, for leaving a function in Bintulu early last week which resulted in the

Yang di-Pertua Negri not having a single State Minister around during lunch.

Datuk Patinggi Taib later explained that he left the function when one of the guests present commented unfavourably on the speech.

His walkout, however, was perceived by Tun Datuk Patinggi Abdul Rahman as a protest against the speech.

It is understood that Tun Datuk Patinggi Abdul Rahman had rejected a speech prepared by the State Government for him and had instead given an off-the-cuff speech in which he criticised the Federal Government for poor planning and the seeming lack of speed in developing Bintulu.

Among the guests present were Federal Ministers and Federal Government officials.

Sources said that he construed Datuk Patinggi Taib's walkout as a protest against the speech and felt that the Chief Minister had insulted him.

They said he then threatened to resign and even

went as far as to prepare the resignation letter.

But following Datuk Patinggi Taib's apology, the Yang di-Pertua Negeri, who had been admitted to hospital, attended a function over the weekend in which he praised Datuk Patinggi Taib and urged the people to support the Government.

While uncle (Tun Datuk Patinggi Abdul Rahman) and nephew (Datuk Patinggi Taib) patched up their differences publicly, it is clear that the State Govern-

ment's decision to hold grand Statewide celebrations of Sarawak's 20th year of independence has paid handsome dividends.

Throughout the month-long campaign, the people have been reminded of the progress and development Sarawak has undergone since its independence and joining Malaysia in 1963.

While critics have charged that the whole thing was a waste of money and was an election gim-

crick, there are indications that the many exhibitions, festivals, games and other functions held in conjunction with the celebrations have made a deep impact on the people.

Datuk Patinggi Taib is quite aware that if he is to make the most of this, he has to call for an election soon and he is unlikely to allow such an opportunity to slip by.

An even more clear indication that the election is

around is the corner is that huge billboards carrying a picture of Datuk Seri Dr Mahathir with the words *Cekap, Bersih, Amanah* (efficient, clean and trustworthy) have appeared in Kuching.

The billboards are, significantly, in blue and white — the Barisan colours. They are said to be part of the Information Department's "routine efforts to inform the people about the Government."

CSO: 4200/43

PROJECTS PLANNED AGAINST BORDER COMMUNISTS

Penang THE STAR in English 3 Sep 83 p 3

[Article by Azmi M. Anshar]

[Text]

KOTA BARU, Fri. — The Government is implementing socio-economic and security projects in rural areas near the border to eradicate communist and anti-national elements, Deputy Prime Minister Datuk Musa Hitam said today.

The projects would include the development of land, infrastructure and basic amenities where the emphasis will be on security, he added.

The project area will cover 8,900 sq km and will involve 600,000 people in Perlis, Perak, Kedah and Kelantan.

For Kelantan alone, Datuk Musa, who is also the Home Minister, said \$146 million had been allocated for the purpose under the Fourth Malaysia Plan.

Speaking to reporters after making an aerial inspection of the border areas, Datuk Musa said most of the projects were in the construction and planning stages and that

they were split into three phases.

The first phase was for immediate implementation and they include the developing of land under FELCRA, electrical and water supply to rural areas and the construction of schools.

The second phase was for moderate pace projects and they include projects under the Veterinary and Fisheries Department and the developing of land under RISDA.

The third phase was in the planning stages and they include the building of security facilities such as police stations, security unit bases and a police camp in the jungles of Jeli.

Other projects under this phase include building of roads like the East-West Highway, implementing projects under the Drainage and Irrigation Department and the Health Department.

Datuk Musa said the planning had been com-

pleted and their implementation would depend on the country's financial situation.

He said 72 per cent of the projects had been completed and he was satisfied at the rate the projects were moving.

He said the Thai Government was also helping in some of the projects. The most prominent one was the Golok River Basin project where the Thai Government would develop the land while the Agriculture Ministry would supervise it.

The Australian Government was financing part of the project.

Datuk Musa said a lighthouse would be constructed at the mouth of the Golok river. The project is aided by the Thai Government.

He said that feasibility studies for both projects had been completed and implementation was expected to start this year.

RECOVERY PROSPECTS BRIGHT: DEPUTY FINANCE MINISTER

Kuala Lumpur BUSINESS TIMES in English 5 Sep 83 p 1

[Article by Vong Nyan Ming]

[Text] **EVEN** though the Malaysian economy cannot recover in isolation, prospects this year seem much brighter, Deputy Finance Minister Datuk Dr Ling Liong Sik said yesterday.

Speaking at the MCA seminar on *Towards a New Economic Era*, he said that gross domestic product is expected to grow by 5.8 per cent this year, up on last year's 4.8 per cent growth.

"Malaysian economic recovery is pretty well established, but we have to hope that the US government will keep theirs on the right track since more than 50 per cent of our GNP is export based."

"Malaysian indicators are very promising. Car sales for the first five months of the year recorded a 3.9 per cent increase over last year's drop of 5.5 per cent."

"Consumer spending in the January-May period

this year went up by 7.9 per cent against last year's negative growth of 0.8 per cent."

"And aggregate sales value increased by 23.2 per cent compared with last year's 21.7 per cent," Dr Ling said.

With the Look East policy and the concepts of privatisation and Malaysia Incorporated, the signs are very clear, the deputy minister said.

"The government wants to foster a more vibrant and dynamic private sector. Together with these policy initiatives and the budding global recovery, the Malaysian private sector should start gearing up now for the boom that we can expect in two years' time."

Sketching out how Malaysia Incorporated could benefit private sector growth, Dr Ling drew an example of a case study where assemblers of sewing machines were

being hamstrung by unnecessary Customs regulations.

"CKD packs of sewing machines are free of import duty because the assemblers are creating an industry. But according to the Customs Act, if you bring in all the 60 parts required to assemble a sewing machine head in one shipment, you are liable to tax."

"This caused a lot of trouble to the sewing machine assemblers who were asked to pay back duties based on this technicality. With the advent of the Malaysia Incorporated concept, we have dropped this ruling and others like it which make life hard for businessmen."

"The Finance Ministry is assigning senior Customs officers to established export and import centres to give tariff codes in writing to importers so that these businessmen are not need-

lessly penalised if their dutiable imports come in tax-free because of wrong classification."

"It should also be the duty of Customs to inform importers of changes in laws which might make their imports taxable. If the notification is not complied with, the government will then have every right to investigate and back-tax dutiable imports," he said.

For the Malaysia Incorporated concept to work and to be fully appreciated by the public, the government would need feedback so that it could identify areas where the concept had fallen on deaf ears, he said.

"There should be much more understanding and common sense between the government and the people now that there's the concept of Malaysia Incorporated," he said.

BY-ELECTIONS DECISIVE TO BERJASA, HAMIM FUTURE

Penang THE STAR in English 7 Sep 83 p 3

[Article by Azmi M. Anshar]

[Text]

KOTA BARU, Tues. — The outcome of the Kemumin and Selising by-elections on Thursday could well prove crucial to the future of two political parties — Berjasa and the newly formed Hizbul Muslimin (Hamim).

Berjasa is contesting the Kemumin seat on the Barisan Nasional ticket while Hamim is contesting both seats.

The by-elections were called after the High Court ruled that the election of the PAS candidates to the two seats in last year's general election was null and void.

The PAS candidates were elected after the nomination papers of the two Barisan candidates were rejected.

Berjasa badly needs to win the Kemumin seat after its pathetic performance in last year's general election when it won only four of the 12 State Assembly seats allocated to it in Kelantan.

But even more important, the by-election is the first polls test for the party's new president, Haji Wan Hashim Wan Ahmad, who took over in April following Datuk Haji Mohamed Nasir's retirement from active politics.

Berjasa also hopes that by winning back the seat from PAS, it can win back Umno's confidence and respect.

A win will also mean that Berjasa's hand will be strengthened in negotiations on the allocation of seats for the next general election and the appointment of State Executive Councilors and other government posts.

As one Berjasa official put it: "Everyone knows

Kemumin is a PAS stronghold. If we win, it will prove that Berjasa has the spirit and the courage to overcome the odds.

"It will instil new pride in party members and Umno will also have to treat us with more respect."

For Hamim, the party founded by former PAS president Datuk Haji Asri Muda in March, the by-elections could not have come at a worst time.

The party has yet to consolidate itself and has taken a big chance in fielding candidates for the by-elections.

Losing in both seats, as is expected by most people, could seriously affect the party's membership drive and its aim to challenge PAS as the premier Malay-based opposition party.

Hamim leaders, who think their party has got a good chance of getting more votes than PAS, if nothing else, in at least one of the seats, feel that they had no choice but to field candidates.

"If we had not, PAS would have branded us as cowards and we could well have become the laughing stock in politics because we have made several claims of our support," they said.

For traditional rivals Umno and PAS, the by-elections are part of their continuing struggle for dominance among the Malays. Umno is contesting in Selising while PAS has fielded candidates in both seats.

Kelantan Umno leaders, including State party chief and Finance Minister Tengku Razaleigh Hamzah, are highly confident of winning back Selising, a seat the party won in the 1978 election before losing it last year.

Umno has pulled out all stops in the campaign and among the big guns who campaigned for the party was party deputy president and Deputy Prime Minister Datuk Musa Hitam.

With its well-oiled party machinery working round-the-clock, Umno is more worried that its supporters might get complacent and not come out to vote.

PAS leaders are almost certain that the party will retain the Kemumin seat but admit that the party has found it much tougher going in Selising.

They have gone all out to try and portray themselves and the party as the "genuine Islamic representatives" and have also dismissed the Government's development projects as "materialistic."

But while the party's ceremonies in both seats have been well attended whenever the speaker was Terengganu PAS chief Ustaz Abdul Hadi Awang, it must also be noted that a large portion of the crowd was from the other constituencies.

PAS leaders privately feel that their party would have succeeded if it retains one of the seats, the likely one being Kemumin.

Barisan has fielded Encik Omar Ibrahim in Kemumin and Wan Mohamed Wan Abu Bakar in Selising. Both are locals and have significant grassroots support.

The PAS candidate for Kemumin, Kuala Lumpur-based lawyer Haji Che Hassan Che Ishak, has had some problems in the campaign explaining why he has not been around during his 16-month tenure as State Assemblyman in his

ten to his constituents' grievances.

He is banking on the party's appeal and the personal popularity of the party's Majlis Ulama (Religious Council) chief Ustaz Nik Aziz Nik Mat to retain the seat.

Ustaz Nik Aziz is MP for Pengkalan Chepa, where Kemumin is located, and is also Kelantan PAS commissioner.

The party's candidate for Selising, Drs Abdul Rahman Ahmad, was born in the area unlike the Barisan's Wan Mohamed, a point which he and PAS has emphasised in their campaigns.

Wan Mohamed, the State Umno information chief, has been in Selising since pre-independence days.

Hamim's Encik Shukri Abdul Rahman, who is contesting in Kemumin, is a political newcomer whose only claim to fame so far is that he was once a prize pupil of Ustaz Nik Aziz.

Haji Nawi Awang, Hamim's candidate in Selising, has yet to recover from the nomination day fiasco when Hamim claimed its original candidate, Haji Shamsuddin Abdul Rahman, had been "abducted" and that they had to field Haji Nawi, who was their second-choice candidate.

The following day, Haji Shamsuddin said he had decided not to contest at the last minute and had been at home all along.

Since that day, Hamim's leaders have been embarrassed to be seen in Selising, leaving Haji Nawi to face the voters virtually alone.

SNAP PRESIDENT DENIES HE WILL RESIGN

Kuala Lumpur NEW STRAITS TIMES in English 16 Sep 83 p 7

[Text]

KUALA LUMPUR, Thurs. — Sarawak National Party (SNAP) president Datuk James Wong today denied that he is stepping down from his post to pave the way for the entry of the Parti Bangsa Dayak Sarawak (PBDS) into the Barisan Nasional (BN).

He said the suggestion that the BN could give SNAP an ultimatum to either accept the PBDS or leave the BN was "preposterous".

The party leader was commenting on a report which also suggested that he "may dissolve SNAP and throw his weight behind some other Opposition party" if the BN did not back him in the crisis.

In July, three MPs and nine State Assemblymen resigned from SNAP in protest against the sacking of one of the party's vice-presidents, Mr Daniel Tajem, in June.

Together with other former SNAP members, sacked earlier, they formed the PBDS to fight

for the cause of the Dayak community.

About a week later Energy, Telecommunications and Post Minister

Datuk Leo Moggie also resigned from the party to head the PBDS.

The party was registered last week and was officially launched today.

Since its formation PBDS has been applying and lobbying for membership into the BN. Its efforts have been opposed by SNAP.

To avoid the Government from being weakened by the possible exodus of Dayak elected representatives, a recent State BN meeting formed the Barisan Nasional Plus Government to include the PBDS.

Describing the report as "totally mischievous and irresponsible", Datuk Wong in a statement said it was preposterous to suggest that the BN would give SNAP the ultimatum to accept PBDS as SNAP had acted in the best interest of the BN in maintaining principle, discipline and following orders and pledges.

Datuk Wong also said SNAP's objection to the admission of PBDS into the BN had been made clear at the State Barisan meeting on Aug. 10.

He described the "dis-solution" of SNAP as "a foolish notion".

Record

"The more than 100,000 members of SNAP in the State have no intention of dissolving the party now or ever as we firmly believe that SNAP has been a great stabilising political factor and influence on the politics of Sarawak and Malaysia in the past and will continue to be so in the future.

"SNAP is a great asset to the people of the State and to the nation. Its record speaks for itself," he added.

Datuk Wong stressed that SNAP grassroots members were still "very united".

"The grassroots of the party today are not as naive as they were 10 years ago. They are intelligent and are becoming more sophisticated and better informed on politics."

RAZALEIGH WARNS PAS LEADERS ON ISLAMIC ACTIVITIES

Penang THE STAR in English 2 Sep 83 p 6

[Text]

KOTA BARU, Thurs. — Finance Minister Tengku Razaleigh Hamzah has warned PAS leaders against carrying out so-called Islamic activities which can divide the Muslims.

The Government would apply the recently approved laws if the integrity and stability of the country was threatened, he said at a campaign for the Barisan Nasional candidate for the Kemumin State by-election at Kampung Pancor here yesterday.

He was apparently referring to the amended Penal Code and the Criminal Procedure Code which was approved by Parliament early this year.

The amendments, among other things, make it an offence for anyone to act, speak or write in such a manner that could jeopardise harmony or create enmity among people of the same or different religions.

The amendments also make it an offence for anyone to cause or attempt to cause, on grounds of religion, disharmony, disunity or feelings of enmity, hatred or ill-will between people or groups professing the same or different reli-

gions or to do anything which would be likely to cause the same.

The maximum penalty is three years' imprisonment or a fine or both.

Tengku Razaleigh, who is also Umno Kelantan liaison chief, said that the laws would be applied if PAS leaders were found to deviate in the interpretation of the teaching of the Quran to serve their own ends.

He urged the PAS leaders to remember that their irresponsible action could weaken the position of the Muslim community.

Meanwhile, Pasir Puteh police are investigating a report that PAS, in its campaign for the Selising State by-election, had described Muslims who voted for the Barisan candidate as infidels.

OCPD Supt Ajis Salimin said that if the allegations were found to be true, action would be taken against the offenders under the amended Penal Code and the Criminal Procedure Code.

He said that the situation in the election areas was calm and advised the contesting parties not to create sensitive issues that could result in quarrels — Bernama.

MUSA ATTACKS PAS LEADERSHIP

Penang THE STAR in English 3 Sep 83 p 3

[Text]

KOTA BARU, Fri. — Datuk Musa Hitam criticised today the new PAS leadership for saying that the concept of nationalism and the nationalistic feelings cherished by the Barisan Nasional were not in line with Islam.

The Deputy Prime Minister said the PAS leaders said such things because they wanted to infuse the internationalism concept which they had imported from a certain country with which they had very close relations.

He said that these leaders had been visiting that country very frequently.

They tried to infuse such ideas "here and there" and were becoming increasingly more open in saying that Malaysia should reject the concept of nationalism and accept the internationalism concept, he added when opening the new Pengkalan Chepa mosque, 10km from here.

Datuk Musa, who is in Kelantan to visit the Kemumin and Selising State constituencies, said PAS was speaking out against Umno's struggle, which was based on nationalism, in an attempt to smear Umno's name and to put fear into the Malays so that they would not believe in the concept of nationalism.

"If not for the concept of nationalism, I think our country

would have been wiped out and taken over by anti-national elements, particularly elements which are constantly trying to divide and influence the Malays," he said.

He said the concept of nationalism had created opportunities for Malays to pursue higher education.

Datuk Musa was confident that the people would strongly oppose those who tried to go against the concept of nationalism as they had opposed the concept of internationalism as propagated by the communists.

He reminded the people to be constantly vigilant against those elements who were trying to divide the nation through imported ideas and ideologies that were not suitable for the country.

Datuk Musa said unhealthy trends were beginning to be seen among Malays because of the influence of imported ideas.

He said that since the '50s there had existed among the communists the concept of internationalism that did not recognise the boundaries of any country.

Datuk Musa said he was confident that with the Barisan Nasional pioneered concept of nationalism, the concept of international communism had been checked. — Bernama

CSO: 4200/43

PAS TO PURGE PRO-IRAN ELEMENTS

Kuala Lumpur NEW STRAITS TIMES in English 6 Sep 83 p 4

[Text]

KEMUMIN, Mon. — Pas will purge more leaders, including its former secretary-general Ustaz Abu Bakar Hamzah who was said to have urged the party to stop leaning towards Iran.

Stating this in a ceramah while campaigning for the Barisan Nasional in the Kemumin and Selising by-elections at Chabang Tiga, Baung, Umno religious bureau secretary Haji Wan Lokman said Ustaz Abu Bakar warned Pas on the matter in an article published in a Bahasa Malaysia tabloid in May.

Haji Wan Lokman said Ustaz Abu Bakar also urged Pas to elect only ulamaks as its leaders, but this had not been done.

Pas has blacklisted Ustaz Abu Bakar and the party was certain to expel him for going against the leaders, he added.

He said for this reason Pas had not included Ustaz Abu Bakar in the campaignings.

Blacklisting

Haji Wan Lokman said Ustaz Abu Bakar would not be the last to be black-

listed by Pas for expulsion for opposing the extreme policies of the party leadership.

Pas expelled Datuk Mohamad Nasir in 1978 and forced Datuk Aari Haji Muda to quit because he disagreed with its extremist group.

The party also expelled about a dozen other leaders who were loyal to Datuk Haji Mohamad Nasir and Datuk Aari.

CSO: 4200/42

PAS OUT TO DESTROY MONARCHY SYSTEM: UMNO

Kuching THE BORNEO POST in English 6 Sep 83 p 14

[Text]

KOTA BAHARU, Mon.— UMNO Malaysia publicity chief Datuk Haji Hussein Ahmad has accused PAS of nursing ambitions of setting up an Islamic republic and doing away with the system of monarchy in the country.

He said the party's aspiration came out into the open recently when a PAS state assemblyman suggested in the Kelantan State Legislative Assembly that the government study the development of a revolution in a foreign Islamic country which had succeeded in overthrowing the monarchy.

Datuk Haji Hussein said that not all PAS members, particularly at the grassroots level, were aware of the aspiration of the party leadership because of the duplicity of the leaders.

He was speaking at a ceramah at Chahang Tiga, Pengkalan Chepa, near here last night. More than 1,000 people attended the ceramah held in support of the BN candidate for the

Kemumin by-election.

The candidate, Haji Umar Ibrahim, will face Haji Mohamed Shukri Abdul Rahman from Hamim and Haji Hassan Ishak from PAS in the by-election on Thursday.

Datuk Haji Hussein was confident that Malays would not be taken in by the PAS propaganda if they held fast to the tradition of loyalty to the rulers.

"Are we now prepared to commit high treason after giving our loyalty and fealty to our rulers since the time of Cik Siti Wan Kembang and Puteri Sa'adong in Kelantan?" he asked.

He stressed that the system of monarchy in the land had united the people and enable them to live in peace.

He said that if PAS was concerned about Malay unity, it should not have taken part in the Kemumin and Selising by-elections in the state so as to enable the BN government to continue developing the two places.

CSO: 4200/46

PAS LEADER DENIES FOREIGN TIES

Penang THE STAR in English 6 Sep 83 p 5

[Text]

KOTA BARU, Mon. — PAS' deputy president Haji Fadzil Noor denied today that the party's struggle was "internationalism" in concept or that it was ever influenced by the Islamic revolution in foreign countries.

He pointed out that the term "internationalism" usually depicted socialist, communist and other activities supported by the Jews and as such had no connection with PAS.

Haji Fadzil was commenting on the statement by Deputy Prime Minister Datuk Musa Hitam on Friday that PAS leaders were disseminating an international concept in its struggle and was having close ties with a foreign nation.

Datuk Musa, however, did not mention the country concerned when opening a mosque in Pengkalan Chepa near here during his one-day

visit to Kelantan to take a first-hand look at the Kemumin and Selising State by-election areas.

Haji Fadzil said, "to question the once-in-a-blue moon visit of PAS members to a foreign country is baseless as the visit by Umno leaders to communist countries can also be considered questionable."

He challenged Datuk Musa to name the country involved.

"The visits by PAS members overseas are an invitation," he said.

He said even members of the Press were sometimes also invited to visit the countries concerned to cover celebrations.

Haji Fadzil pointed out political struggles based on the "internationalism" concept contradicted Islam and was a danger to the world. — Bernama.

CSO: 4200/43

PAS DENIES MEMBERSHIP PURGE

Kuching THE BORNEO POST in English 8 Sep 83 p 3

[Text] KUALA LUMPUR, Wed — PAS today denied allegations that it was purging members whose views differed from that of the party leadership.

PAS secretary-general Haji Hassan Shukri said that the matter did not arise at all nor did it cross the mind of the party leadership to expel those on such grounds as alleged by the *Berita Nasional*.

He said this when asked to comment on the statement by Kelantan Religious Bureau Secretary Haji Wan Lokman that PAS would expel several of

its leaders including a member of the party's supreme council, Ustaz Abu Bakar Hamzah, for disagreeing with the party for favouring the Iranian type of leadership.

Haji Hassan described the allegation as untrue.

He also said that PAS had never said it wanted to follow Iran or to look towards the West, East, North or South.

The party's was simply based on the principles laid down by the Quran and it would continue to uphold it noble," he said.

On allegations by former PAS leader Haj Zahari Awang who is now Hamim youth leader that PAS candidates in the Kemumin and Selising by-elections were not ulamaks, Haji Hassan said it was obvious that Hamim cannot understand the ulamak concept of leadership as upheld by PAS.

"What we want is to have ulamaks in the top echelon of the leadership and it was impossible to require all PAS members at branch and division levels to be ulamaks," he added.

He also expressed

confidence of PAS victory in the Kemumin, Selising and Tampin by-elections and stated that PAS participation was to explain Islam.

Winning or losing did not arise but what PAS is putting forward to the voters including the non-Muslims is its cause based what was laid down by Islam.

He believed that the voters, especially the non-Muslims, were afraid of PAS and assured them that PAS has no intention of suppressing them as they were made to believe by some quarters.

Bernama

PAS REMAINS FORMIDABLE FOE DESPITE DEFEAT

Kuala Lumpur NEW STRAITS TIMES in English 10 Sep 83 p 14

[Article by Zainon Ahmad]

[Text]

IT MUST be a relief to leaders of both the Barisan Nasional and Pas that the battles for Kemumin and Selising are over. Both sides were visibly worn out in the long no-quarters-given and no-holds-barred cam-

paign in which no efforts were spared to ensure victory in both constituencies.

Though the Barisan Nasional won both the by-elections, Pas still remains a formidable rival.

Pas has not been enfeebled by the infighting resulting in former leader Datuk Aeri Haji Muda's departure to form Hizbul Muslimin Malaysia or Hamim. The party put up a remarkable fight to get the voters to endorse its candidates who were returned unopposed in last year's general election.

A lot was at stake.

For the Barisan Nasional, victory means an endorsement of the Government's policies under the leadership of Datuk Seri Dr Mahathir Mohamad, especially those related to Islam, Malay nationalism and development.

Also thought to be at stake was the future of the Kelantan Barisan Nasional leaders in national politics.

For Umno, the victory spells a new dominance in State politics.

Kemumin and Selising was a test for Pas' new Islamist-dominated leadership which took over the reins after the recent party election.

The new leadership had strongly criticised the Government's Islamisation policies and instead called for the establishment of an Islamic State.

It had rejected nationalism, calling it anti-Islam.

Two more defeats in Kelantan, the home ground of the party, must be a significant blow to the leadership.

It so badly wanted to win in order to prove that the withdrawal of Datuk Aeri and his friends from Pas had not affected the party.

Of the 36 seats in the Kelantan State Assembly, Barisan Nasional now has 28, Pas five and Hamim three.

The Barisan Nasional thus managed to retain the seats it won in the March 1978 Kelantan election at the end of emergency rule in the State. Pas was weak then and the Barisan Nasional candidates Encik Umar Ibrahim (Kemumin) and Wan Mohamad Abu Bakar (Selising) won by majorities of 1,799 and 1,546 respectively.

Majority

Last year, the nomination papers of both Encik Umar and Wan Mohamad were rejected, but a High Court ruling on Aug 2 overturned the decisions of the returning officers and gave the candidates and their party another chance to prove their standing in both the constituencies.

They won, Encik Umar with a majority of 662 and Wan Mohamad with a majority of 2,514.

As expected, less than 60 per cent of voters in both constituencies turned out to vote. In the semi-urban lower middle class Kemumin, the Kota Bharu backyard for development, only 69.72 per cent of the voters turned out.

In Selising, about 32km from Kota Bharu, the turnout was 74.03 per cent.

In the battle for Selising, the "soft spoken and polite" Dr Abdul Rahman Ahmad's house-to-house and person-to-person campaigns and personal approach were winning support for Pas and eating into the votes of the

Barisan Nasional. But clearly it was not enough.

Barisan Nasional leaders at State and national levels have cause for jubilation especially for its victory in Kemumin which was thought likely

to fail to Pas which had concentrated almost all its efforts there.

State Barisan Nasional leader Tengku Razaleigh Hamzah, when opening a new mosque in Kampung Bukit Merbau in Selising on the eve of polling day said: "After this, I am going to Kemumin. Here we are already safe. In Kemumin, it is still a tug-of-war. However, if we are lucky, we may win."

Officials at the party's operation centre in Kota Bharu were less confident even though they continued to work systematically to monitor the situation and to organise more ceramahs for areas where Pas influence was strong.

Their efforts and the ability of the leaders to maintain the high morale of the party workers on the ground paid off. The arrival of leaders and party workers from

the other States contributed to their high morale, especially the 300 from Kubang Pasu which helped to swell the audience of ceramahs in Pas dominated kampungs.

The house-to-house and person-to-person campaigns had the effect of even converting traditional Pas voters into Barisan Nasional supporters.

One instance of the effectiveness of the person-to-person campaign was in Kampung Beris Jejawi in Kemumin. An approach was made to a State civil service officer back from a short holiday from training with Intan in Kedah.

He not only agreed to vote for the Barisan Nasional but even managed to convince members of his family and relatives in the kampung to become supporters of the party. Present at the ceremony on Monday to welcome 30 of them into Umno was the party's Surauin Councillor, member Datuk Seri Haji Kamaruddin Mat Isa.

Too late

Among Barisan Nasional leaders from outside the State who conducted ceramahs in both Kemumin and Selising were Umno Deputy President Datuk Musa Hitam, Pahang Menteri Besar

Datuk Najib Tun Abdul Razak, Terengganu Menteri Besar Datuk Amar Haji Wan Mokhtar Ahmad, Barisan Nasional Secretary-General Encik Ghaffar Baba, Welfare Minister Datin Paduka Aishah Ghani, Agriculture Minister Datuk Mahan Othman, Public Enterprises Minister Datin Paduka Rafidah Aziz, Deputy Education Minister Datuk Khalil Yaakub,

Deputy Labour Minister Datuk Zakaria Abdul Rahman, Umno Vice-President Datuk Harun Idris, Umno Secretary-General Datuk Mustapha Jabar and Datuk Seri Kamaruddin.

Pas too had almost all its national leaders, except for party president Haji Yusof Rawa, campaigning in both the constituencies.

From nomination day on Aug. 23, Pas began to concentrate more in Kemumin, part of the parliamentary constituency of Pengkalen Chepa held by the party's Kelantan leader Haji Nik Aziz Nik Mat. It put up only a semblance of a fight in Selising, knowing the strength of the Barisan Nasional machinery there.

Barisan Nasional workers derided this decision as tantamount to "abandoning Pas sup-

porters in Selising so that Tok Guru Nik Aziz can maintain his Pengkalen Chepa domain intact."

But in the last few days before polling when the Barisan Nasional had to grapple with many "wolves in sheep's clothing" in Selising, only then did Pas decide to organise more ceramahs there. But evidently this was too late to turn the tide of the Barisan Nasional's onslaught.

The personal influence of State Pas commissioner Haji Nik Aziz and that of his deputy Haji Nik Abdullah Arshad alone was thought to be sufficient to carry the party through.

Also before 1975, Kemumin had always returned Pas candidates and was therefore still considered the party's stronghold.

Furthermore, the Barisan Nasional was weak in Kemumin. Where in the other State constituencies in Pengkalen Chepa, Umno has about 40 branches each in Kemumin, the party only has 16. Berjasa, Encik Umar's party, too was weak with only five active branches.

Knowing the odds, the Barisan Nasional went ahead using its giant machinery to gradually cut the Pas lead.

Poor show

The battle was also for the votes of about 1,700 members of the Police Field Force and warders.

However, Deputy Prime Minister Datuk Musa Hitam's announcement of a pay rise for them must have contributed significantly to efforts to win them over to the Barisan Nasional.

The much hoped for significant decline in Pas votes due to Hamim's participation in the by-elections did not materialise. The new party obtained only 159 votes in Kemumin and 161 in Selising. Both the Hamim candidates lost their deposits.

Hamim's poor performance in the by-elections demonstrates that Datuk Asri is no longer a force in Kelantan politics and that Pas was successful in convincing its traditional supporters that the new party was working with the Barisan Nasional.

When asked about this, the party youth leader Haji Zahari Awang said, "We do not criticise them because they do not criticise us."

However, many agree that leaders of the party must win wider support if it wants to continue to exist after the next general election.

PAS LOSING SUPPORT IN KELANTAN: BERJASA

Kuala Lumpur NEW STRAITS TIMES in English 16 Sep 83 p 3

[Text]

KOTA BARU, Thurs. — Pas has lost considerable support in the State, Kelantan Berjasa Youth leader Haji Abdul Ghani Mahmood said today.

This was evident from the results of the polling on Sept. 8 in Selising when the Pas candidate, Drs Abdul Rahman Haji Ahmad, obtained 3,220 votes, less than the number he obtained when he contested as an Independent in 1974.

Haji Abdul Ghani said the statement by Haji Nik Abdul Aziz Nik Mat, the Pas national ulamak head, who said that although Pas lost in the by-election, the party's Islamic struggles would continue, showed that Haji Nik Abdul Aziz overestimated the strength of Pas.

Haji Abdul Ghani said Haji Abdul Aziz should carefully consider the strength of the party in Selising before making

the statement.

He said Pas should realise that its influence had waned following the two crises in the party (in 1978 and early this year).

He said the Barisan Nasional's success in the Sept. 8 polls was the result of close co-operation among the component parties.

He said this co-operation should be maintained to ensure success in future elections.

CSO: 4200/42

NEW SABAH BUMIPUTERA PARTY ANNOUNCED

Kuala Lumpur NEW STRAITS TIMES in English 10 Sep 83 p 7

[Text]

KUALA LUMPUR, Fri. — Former Federal Territory Minister Datuk Pengiran Othman Rauf, who was sacked from Party Berjaya Sabah three months ago, will form a new party — Parti Bersatu Rakyat Bumiputera Sabah (Perkasa).

Datuk Pengiran Othman, who was a vice-president of Berjaya at the time of his expulsion for alleged breach of party discipline, told a Press conference today that a formal application for the registration of the party would be submitted to the Registrar of Societies soon.

The party's Constitution has been drafted and the name had been submitted to the registrar in June.

After registration, the party would seek admission to the Barisan Nasional, he said.

Datuk Pengiran Othman said Perkasa would have its headquarters in Kota Kinabalu.

Its membership was open to all Bumiputeras in Sabah, irrespective of their origin or religion.

Datuk Pengiran Othman said the leadership of the party would be decided at a later stage. It would comprise the younger generation and intellectuals as well as people who were influential in the community.

He said the party's slogan — *Berkhidmat Untuk Rakyat dan Negara* (Service to the People and Nation) — was in line with its objective to provide a sincere, efficient and clean leadership and to provide the opportunities to those wishing to join the party's struggle.

Priority would also be given to efforts to strengthen the solidarity of the people and to improve the economic status of the Bumiputeras in Sabah.

He was confident that Perkasa would achieve its strength in view of the "tremendous response."

GOVERNMENT URGED TO ESTABLISH SYARIAH HIGH COURT

Penang THE STAR in English 9 Sep 83 p 3

[Text]

KUALA LUMPUR, Thurs. — The country's first syariah lawyer, Encik Abu Bakar Hamzah, welcomed today the Government's move to set up a syariah high court.

He said the establishment of the court would help inculcate Islamic values in the administration.

He noted that only Perak had a syariah high court now and urged that similar courts be set up in the other States as well.

Encik Abu Bakar, who obtained a masters degree in philosophy and sociology from the Kent University two years ago, was appointed an advocate and solicitor to practise syariah law in Perak last month.

He was commenting on a report that the Government would set up a syar-

iah high court once its proposal to put syariah courts on an equal footing with civil courts was approved by Parliament.

A Bill to amend the Syariah Courts Act of 1965 and put kadis on par with magistrates would be tabled in Parliament.

Encik Abu Bakar suggested that kadis and lawyers be sent for courses in syariah law at local universities to prepare for the upgrading of syariah courts.

He said the courses should be carried out with the help of the Bar Council and should be similar to other law courses.

Graduates should read in chambers and should be called to the Bar before they could be allowed to practise syariah law, he said. — Bernama

CSO: 4200/43

SOUTH KOREAN FIRMS SEEK MANUFACTURING OPPORTUNITIES

Kuala Lumpur BUSINESS TIMES in English 29 Aug 83 p 1

[Article by S. Unadevi]

[Text] At least 18 South Korean companies are interested in manufacturing in Malaysia. Three of them have signed joint-venture agreements, some are still exploring the ground while others are engaged in an advanced stage of negotiations.

The number excludes companies that may be proceeding on their own without the assistance of Mida, the investment attache at the Malaysian embassy in Seoul. Mr Heng Lye Huat, told BUSINESS TIMES in Seoul.

These 18 companies are interested in making furniture, rubber thread, car stereos, boosters and equalisers, carbon steel pipe fittings, PVC flooring, sawn timber and veneer, non-fired clay bricks, intravenous solution, rubber footwear, water meters, clutch assembly, engine rubber parts for motor-cycles, weather strips, rubber gaskets and inner tubes for cars.

The extent of South Korean investment in manufacturing in Malaysia is so far confined to just three projects with paid-up capital of \$4.5 million. These are Dongkuk-Techno Rubber Industries making prophylactics and finger-cots (a special purpose gloves) at Bakar Arang in Kedah; Chosen (M) Sdn Bhd making stuffed toys in Kelang; and Serakayo Chemical, which was set up with the signing of a joint-venture agreement in Seoul earlier this month, for the manufacture of adhesives for the timber industry. [as published]

Chosun is 100 per cent Korean-owned and was set up very quickly two months ago in rented premises. In fact it started production within a month or so after it received approval and is now exporting stuffed toys mainly to France where South Korea's quotas for the product are whereby fully utilised.

This is the first South Korean project in Malaysia set up with the idea of using the latter's under-utilised quotas but it is not the first of its kind for South Korea. According to a spokesman of the Economic Planning Board in Seoul, South Korean companies have invested in textiles in Latin America, Africa, India, Indonesia and Sri Lanka and are exporting from these locations to third countries.

Apart from the three projects that have been implemented, 10 others were approved by Mida with authorised equity amounting to about \$200 million, but they have yet to be implemented. In fact the non-implementation rate is very high, Mr Heng said, partly due to the fact that a big project such as the manufacture of Portland cement and clinkers by Perak Hanjoong Simen takes time. In other instances, market uncertainties resulting from the recession have delayed implementation. In a few cases, negotiations have fallen through, he said.

Approval has been given for the manufacture of panel and curved doors, acrylic and nylon socks, clutch discs and clutch tubings, artificial wax, oil pastels, crayons, sign pens, water colours, sliding pencils and pencil slates, crawler tractors, embroidered bedspreads, table cloth, sleeping bags and curtains, safety glass for cars and ships, ammonium gelatine dynamite, and for the reconditioning of heavy agricultural and construction equipment.

South Korean interest in overseas investments has only recently turned from construction, mining and raw material procurement to manufacturing to secure export markets. Its construction contracts in Malaysia since 1966 came to US\$1.48 billion (\$3.4 billion), of which US\$300 million (\$690 million) worth were won in the first six months of this year.

CSO: 4200/45

MALAYSIA DENIES TIN BUYING REPORT

Kuala Lumpur BUSINESS TIMES in English 10 Sep 83 pp 1, 10

[Article by Hardev Kaur]

[Text]

MALAYSIA is not in the market to buy 1,000 tonnes of tin a month as claimed by reports in London. Reuters said yesterday that "Malaysia as a producer of the metal sells, and not buys, tin."

Metal Bulletin, an authoritative journal, reported that Malaysia has officially denounced the report that it is "to resuscitate its ill-fated tin buying operation." (A reference to the mystery buyer was said to be Malaysian-backed but never revealed.)

The official Malaysian statement issued in London and quoted by *Metal Bulletin* added: "With a current market overhang of almost 100,000 tonnes, monthly purchases of 1,000 tonnes (or 12,000 tonnes per year) would lead to a severe drop in the metal."

Malaysia, the world's largest producer of tin, has already had its exports reduced by 12.7 per cent and it would be "to discourage for it to buy metal when it finds it difficult to sell," sources said in Kuala Lumpur.

With the present market, the stringent export quotas imposed on producer countries and the

fall in demand for the metal the immediate concern for the country is to stimulate flagging consumption which has fallen to 157,300 tonnes by last year compared with over 200,000 tonnes in 1974 rather than continuing with the overhang which only help to depress the market further.

The present low demand and export controls have shut more than 200 out of the 600 odd gravel pump mines in the past two years and the labour force in tin mining is now down to 30,000 compared with 39,000 in 1980.

As such Malaysia was concentrating its efforts to increase the demand of the metal through its research and development efforts under the aegis of the Association of Tin Producing Countries (ATPC). Thus, the sources point out, would be of greater benefit to the industry in the long run.

The London reports claimed that the buying plan was aimed at supporting the price of the metal. They claimed that Malaysia had a vital interest in tin price, presently around US\$200 a tonne, because it was the

world's biggest exporter of the metal and because the metal is second only to oil as an earner of foreign exchange.

The price support mechanism of the metal mentioned in the Sixth International Tin Agreement (ITA) which came into force in July last year and not the seventh as claimed by the London reports, sources added. Under this agreement the buffer stock manager acts on behalf of all members of the ITA including Malaysia.

Industry sources meanwhile pointed out that tin was not the country's second largest foreign exchange earner after petroleum as claimed by the reports. According to Bank Negara tin ranked fifth last year after petroleum, saw logs, palm oil and rubber in terms of foreign exchange earnings. Last year tin's share had fallen by 30.6 per cent as compared with the previous years.

In an effort to stabilise the market, Malaysia had initiated the formation of the ATPC which would act as a fall back and supplement the ef-

forts of the ITC. In addition agreement has also been reached with the US to provide for more predictability in the release of General Services Administration (GSA) tin as well as a limit of 3,000 tons a year.

In fact very little of this 1980 tons is expected to enter the market as much of it would be taken up by the ferro-alloy upgrading programme and the contractors involved in strategic government programmes.

Under the present ferro-alloy upgrading programme, US manufacturers have a choice of about 20 different metals and industrial minerals. Of these only tin can be obtained on demand as it is sold on a daily basis by the GSA.

Previously with the GSA having obtained congressional approval to release 20,000 tons the unpredictability of the amount to be released and timing of the sales had caused "haver" in the market.

Malaysia's efforts are also directed towards stopping the smuggling of tin, a campaign backed by similar efforts of other fellow Asian producers.

SABAH GAS PROJECTS LIKELY FOREIGN EXCHANGE EARNERS

Kuala Lumpur BUSINESS TIMES in English 31 Aug 83 p 3

[Text]

THE \$2.3 billion gas-related projects of the Sabah Energy Corporation will help generate foreign exchange earnings for Malaysia, corporation chairman Tan Sri Thong Yaw Hong said yesterday.

The coming into operation of the Sabah gas grid and the sponge iron, methanol and power plant projects in the middle of next year would increase foreign exchange earnings, employment opportunities and income for the state, he said.

"They will also enhance the diversification and broadening of the economic base of this resource-rich state," he added after the corporation and 51 banks had signed a \$440 million syndicated loan agreement at the Berjaya Building in Kota Kinabalu.

Tan Sri Thong said the gas-related projects in Labuan, which required an investment of \$2.3 billion, out of which \$1.5 billion would come from loans, represented the largest single investment by Sabah in high technology and heavy industries.

He believed that the projects would spearhead further advances in the industrialisation of

the state in line with the objectives and development strategies of the Federal government.

He described the loan as "a clear indication of international and local bank support for and confidence in Sabah's development efforts."

The Federal government had given its full support and guarantee for the loan which would ensure the success of the projects.

"In this connection, the Federal government will continue to mobilise the necessary resources through raising of domestic and external loans to finance productive projects," he said.

Tan Sri Thong stressed that the Federal government was determined to maintain the high credit standing and financial ability of the country in making steady progress towards reaching the objectives envisaged in the Fourth Malaysia Plan.

He expressed the corporation's deep appreciation to Sabah Chief Minister Datuk Harris Salleh and state Resource Development Minister Mr Stephen Wong for initiating and making the projects a reality. -- Bernama

PRIME MINISTER DENIES NATIONALIZATION OF RUBBER

Kuala Lumpur BUSINESS TIMES in English 14 Sep 83 pp 1, 20

[Article by Soh Eng Lim]

[Text]

THE "coming home" of the long established Rubber Growers Association (RGA) to Malaysia was part of a natural and logical process. It should not be wrongly interpreted as foreshadowing another effort by the Malaysian government to nationalise the country's natural rubber industry.

Making this point in Kuala Lumpur yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad reassured existing as well as prospective rubber growers that Malaysia had no intention to nationalise the rubber or any other industry.

However, there was nothing to prevent public agencies or government-oriented units, like any other investor operating under the free enterprise system, from trading in the open market and acquiring stakes in listed companies according to the dictates of business priorities as well as any other consideration that might be relevant to the purposes of the individual agencies or units.

Dr Mahathir pointed out that Malaysia would risk incurring the disapproval of investors as well as other people in the free world if it indulged in unacceptable practices like the nationalisation of companies or industries.

As a country which is known to advocate and

practice free enterprise concepts and principles (especially through the implementation of its industrialisation programme with the help and participation of foreign know how and capital), Malaysia obviously cannot and will not adopt such policies as the nationalisation of companies and industries, the Prime Minister argued.

Dr Mahathir was addressing a luncheon gathering of RGA members and public officials to mark the launching of RGA (Malaysia) Bhd as a full-fledged Malaysian operation.

"The original RGA, as the association is internationally known among plantation owners, was set up with its head office in London in 1907."

On the prospects for the rubber industry in Malaysia, especially in the light of recent reports that Indonesia might soon become the world's leading exporter of natural rubber, Dr Mahathir expressed confidence that given its track record as a highly efficient producer of quality rubber, this country need not fear competition from any quarter.

Lightheartedly comparing the situation to the difference between cultivating a neat and fertile garden and working in a jungle, Dr Mahathir said Malaysia was

confident of maintaining its position as the leading exporter, with a current share of 45 per cent of the world's natural rubber market, regardless of its performance in terms of "scoreboard" placings

and other non-essential details.

Referring to continuing changes and major developments expected to affect the longer term future of the rubber industry, the Prime Minister stressed that, irrespective of the success achieved by the Rubber Research Institute (RRI) and other authorities in introducing new and better ways of producing and processing rubber, the manpower factor be crucial to the industry and must be recognised and dealt with in a planned and appropriate manner.

He added that, in the more distant future, it was even possible that rubber planting might be valued more as a re-forestation process rather than an industry for producing heavy rubber, what with the likes of the RRI working hard to propagate an all-purpose rubber clone which will produce shorter and thicker trunks making them highly suitable as a source of quality timber as well as latex and bale rubber.

In his welcoming speech, the RGA chairman, Datuk Haji Basir

Ismail, explained that the incorporation of RGA Malaysia not only complied with the aims of the country's New Economic Policy but it also reflected the composition of the RGA's membership.

Whereas 100 per cent of the original RGA's membership consisted of estates registered outside Malaysia, recent developments had produced a situation in which 80 per cent of the member estates were now registered in this country and were owned by Malaysian citizens.

Datuk Haji Basir added that, pending a review of the membership situation, members of the original RGA who were currently located outside Malaysia would continue to be serviced by RGA Ltd in London.

To all intents and purposes, RGA Ltd was now a branch of RGA Malaysia, he said.

"All functions of RGA limited is entirely in accordance with the policy and directions determined by RGA Malaysia Bhd," he explained.

Referring to the encouraging rise in palm oil prices in recent months, Datuk Haji Basir warned that the European Economic Community might soon introduce a new tax on oils and fats entering its territory.

This development might adversely affect palm oil prices, he said.

MIC ECONOMIC GOAL STATED

Penang THE STAR in English 29 Aug 83 p 6

[Text]

KUALA LUMPUR, Sun. — The MIC has launched an ambitious plan to collect \$100 million within a year to achieve a seven per cent share for Indians during the New Economic Policy period.

MIC president Datuk S. Samy Vellu said today that the party would raise the money through its undertaking — Maika Holdings Bhd.

Datuk Samy Vellu, who is the Works Minister, said the time was ripe for Indians to venture vigorously into various fields to achieve their goals by 1990.

He said the party hoped to achieve this under the umbrella of Maika Holdings.

He said in a recent meeting that leaders of the party agreed to collect \$50 million within this year as an initial capital for Maika Holdings to go into various activities.

Another \$50 million would be collected by the middle of next year.

He said one of the plans was to collect \$35 million from the party's 730 branches which would each nominate 50 investors who would pay \$1,000 each.

Maika Holdings also hopes to

collect \$10,000 each from about 3,000 professionals to raise another \$30 million.

Those in the lower income group would be allowed to take \$1,000 shares, in 10 instalments of \$100 each, said Datuk Samy Vellu.

He said Maika Holdings also hoped to raise \$50 million through the National Land Finance Co-operative Society, Neas Co-operative Society, KPS co-operative society and other organisations.

He said the response from Indian organisations and businessmen was very encouraging and several of them had promised to contribute.

He called on the Indian community to support Maika Holdings which would serve as an organisation to uplift their economic status.

He said under the Government's "privatisation" programme there were good opportunities to participate in the country's economic development.

"These include a 10 per cent equity in the proposed third TV channel, insurance and banking activities," he said. — Bernama.

CSO: 4200/43

INFLOW OF NEW CAPITAL SLOWS

Kuala Lumpur BUSINESS TIMES in English 1 Sep 83 p 1

[Article by Khalid Jaafar]

[Text] WITH the projected economic recovery at home and abroad moving at an agonisingly slow pace, the flow of new investments to Malaysia has, as feared, been seriously affected.

During the first six months of the year, the Malaysian Industrial Development Authority approved 233 investment projects, only 12 less than the number approved in the same period in 1982.

But the investment proposed for the projects approved during the period fell by 60 per cent, from \$2.8 billion in 1982 to \$1.1 billion this year.

But this drop should be interpreted with caution. First, it is in respect of a period as short as one semester. Secondly, the whole of the drop is explained by what happened in just one industry, namely chemicals.

Investments proposed in chemicals dropped from \$1.9 billion in the first half of 1982 to only \$29.6 million in this year's first half. It seems the first included some large and lumpy investments like those made in the Sabah methanol plant and the Asean fertiliser plant in Sarawak.

According to figures obtained from MIDA, loans proposed to be obtained to finance the proposed projects amounted to \$673 million compared to \$1.5 billion in the corresponding period of the previous year.

The reduction in investment capital can be attributed to the scarcity of investment funds all over the world. In the light of the recession, investors were treading cautiously everywhere.

The location of projects approved indicated that the share of less developed states was considerably less. During the period, investments totalling \$346.4 million were proposed for the less developed states while some \$400 million were to be invested in the more developed states.

This was in sharp contrast to the situation in the first six months of 1982 when projects intended for less developed states involved capital of some \$1.9 billion, double that for the more developed states for which projects involving \$473 million were proposed.

Compared to first six months of last year, in-

vestments in the less developed states during the period reviewed dropped by \$1.5 billion while the decline was only \$72.7 million in the more developed states. In other words, the proposed investments for the former dipped by 78.9 per cent against 0.3 per cent for the latter.

(The areas categorised as less developed states are the whole of Kedah, Perlis, Pahang, Terengganu, Kelantan, Sabah, Sarawak and certain areas in Perak, Johore, Negeri Sembilan and Malacca.)

Penang topped the list in terms of total proposed investment (\$209.6 million) followed by Selangor (\$178.1 million), Sabah (\$143.3 million) and the Federal Territory (\$127.1 million).

For the same period last year, Sabah, Sarawak and Selangor were the top three receivers of investments with capital injection of \$843.4 million, \$704.5 million and \$386.5 million respectively.

As was the case last year, Bumiputera enterprises accounted for the largest share of the investment cake (41.7 per cent), followed by non-

Bumiputeras (32 per cent) and foreign investors (26.3 per cent).

However, an interesting aspect is that while Bumiputera and foreign share of investments dropped in absolute and percentage terms, there was an increase of \$32.3 million or 27 per cent in proposed investments by non-Bumiputeras. It was this factor that boosted non-Bumiputera share of investments from 12 per cent during the first six months of 1982 to 32 per cent for the same period this year.

On the average, the fall in average capital outlay for each project was quite substantial.

The average proposed capital investment for each project dropped from \$11.3 million in 1982 to \$4.9 million this year.

The breakdown for industry sectors showed that the non-metal products industry topping the list with total proposed investment of \$200.3 million, followed by the hotel and tourism (\$184.8 million) and machinery (\$152.9 million). These three sectors accounted for half the total investments for the period reviewed.

MALAYSIANS CONTROL RUBBER GROWERS ASSOCIATION

Kuala Lumpur NEW STRAITS TIMES in English 14 Sep 83 p 3

[Text]

KUALA LUMPUR, Tues. — Malaysia has 80 per cent equity in the Rubber Growers' Association (RGA) (M'sia) Berhad, which was today launched by Datuk Seri Dr Mahathir Mohamad.

RGA (M'sia) chairman Datuk Haji Basir Ismail said previously, the company consisted of 100 per cent foreign registered member estates.

It had now undergone a change where 80 per cent of the member estates are Malaysian-registered and owned by Malaysian citizens.

The total area covered by member estates in Malaysia is approximately 1.67 million acres.

Plans are also underway to restructure senior positions in line with the New Economic Policy.

The present chairman, Datuk Haji Basir Ismail, is RGA's first elected Bumiputera.

Malaysians have also been elected to the RGA council, its management body. The director of the council is also a Malaysian.

RGA (M'sia) replaces the functions of RGA Limited London which was incorporated in 1907.

The London office is retained as a branch and is answerable to, and fully controlled, by RGA (M'sia) Berhad.

Initially, RGA started

with rubber growing but has diversified its activities to include all primary crops like oil palm and cocoa.

Its membership has spread throughout Asia, Africa and Oceania.

RGA is financed by a number of member organisations and companies based on their cultivated hectareage and crop production levels.

In recent years, the RGA has been a major contributor to studies on labour situations in Malaysian plantations, control of pollution in the plantation industry and improved production in rubber, oil palm, coconut and cocoa planting materials.

PETRONAS MAY FULLY FINANCE FUTURE EXPLORATION

Kuching SARAWAK TRIBUNE in English 8 Sep 83 p 1

[Article by Anne Koh]

[Text]

Petronas said today that it might have to finance all future exploration programmes entirely on its own in order to ensure constant oil exploration activities in Malaysia.

This, said the national oil corporation's executive director (finance and services), Encik Ismail Haji Hashim, would mean that traditional production sharing contracts it had with international companies would be eased out in favour of contracted services.

It also meant that whatever was being termed as marginal fields by the international companies under the production sharing schemes would yield an attractive return on investment based on sole ownership by petronas.

Encik Ismail was speaking on "Malaysia and its place in the international energy

market" at the Asian energy conference here organized by the financial times.

Explaining the need for Petronas' move, he said the sharp drop in oil demand over the past two years had put much pressure on world-wide exploration activities.

For Malaysia, after three quarters of a century of continuous petroleum extraction by major companies, recoverable reserves were increasingly scarce leading to higher cost per barrel of production.

"Given the uncertain prospects and the likely small-size potential discoveries for Malaysia, it looks as though, in order to ensure constant exploration activities, Petronas must henceforth use largely its own financial resources for the job," Encik Ismail said.

He also touched on the need for Malaysia to optimise its use of a mix of energy resources.

This included harnessing the vast hydro-electric energy from Sarawak and Sabah to Peninsular Malaysia.

The indicative technical hydro potential in Malaysia was estimated at 124 gigawatts (GHW) per annum and almost 85 per cent of this potential lay in these two states.

"Looking at the domestic energy requirements beyond 1995, Malaysia will have to develop its hydro potential and have them onstream before the year 2000.

He said a suitable distribution mechanism must be found to transmit electricity economically over 600 km via submarine cable to Peninsular Malaysia. —Bernama

POWER-SHARING PACT WITH SINGAPORE SIGNED

Kuala Lumpur BUSINESS TIMES in English 30 Aug 83 p 1

[Text]

MALAYSIA will be able to draw electricity from Singapore and vice versa during emergencies from next year under a power-sharing agreement signed here today.

Under the agreement, the National Electricity Board (NEB) and Singapore's Public Utilities Board (PUB) will be able to obtain electricity from the Sultan Iskander power station in Pasir Gudang, Johor, and the PUB's Senoko power station.

Tenders to supply and instal high voltage overhead transmission lines, transformers and submarine cables have been called.

The entire project, costing \$831.5 million, will be financed equally

by the two countries and comprises two circuits capable of transmitting 300 megawatts either way.

It is targeted for completion by the end of next year.

The agreement was signed by NEB's general manager Tan Sri Abu Zarim Haji Omar and his PUB counterpart, Mr Lee Yong Siang, at the PUB headquarters.

Tan Sri Abu Zarim said the power interconnection will eventually lead to a larger network of electricity-sharing among Asean countries via the proposed Asean grid.

Already, there was a link-up since 1981 between Peninsular Malaysia and Thailand through

Pertis and Sadao respectively.

He said discussions were going on for five more power link-ups, namely, between Sumatra and Peninsular Malaysia, Sarawak and Peninsular Malaysia, Sarawak and West Kalimantan, Sabah and the Philippines, and Singapore and Batam Island in Indonesia.

The Asean power grid would provide an effective pool of reserve generation capacities of the various utilities which would benefit all, especially in times of emergencies.

It would also enable all the utilities concerned to schedule their plant maintenance more efficiently.

SINGAPORE, Aug. 29

Mr Francis Magimay, the NEB's chief engineer (transmission), told newsmen that there were plans to instal a second circuit to enable more electricity to be drawn between Malaysia and Thailand.

On the power link-up between Peninsular Malaysia and Sumatra, he said electricity could be expected to be drawn from the Asahan power plant in Sumatra and the NEB's power stations at Port Dickson.

He added that although feasibility studies on the project had not been carried out, the project was expected to be bigger and costlier than the PUB-NEB interconnection since longer submarine cables would be involved.

— Bernama

ILLEGAL LOGGING INCREASING

Kuala Lumpur BUSINESS TIMES in English 10 Sep 83 p 2

[Article by Shukor Rahman]

[Text]

ILLEGAL logging is fast becoming a lucrative industry in Malaysia, according to Sahabat Alam Malaysia (SAM).

A SAM memorandum released yesterday said recent reports have revealed that illegal logging is on the rise, especially in remote areas such as the Teloi forest reserve in Kedah, the Lengor forest reserve in Jemaluang, Johore, the Hulu Terengganu area and in certain parts of Kelantan.

"The startling situation points to the new breed of loggers who in their greedy quest for wealth are bent on profiting by whatever means possible," said SAM.

The government, it said, is being cheated of thousands of dollars in revenue by these illegal loggers.

The memorandum said in Hulu Terengganu alone, nearly 10,000 tonnes of good quality timber worth an estimated \$2 million had been illegally felled.

However, only about 3,000 tonnes worth about \$500,000 were removed from the area. Timely intervention by the State Forestry Department stopped the deliverance of a further 6,000 tonnes worth about \$1.4 million.

It is estimated that taxes and cess on the undelivered logs amount to \$137,000. These activities must have involved a

denuding of much more than Terengganu's targetted 3,300 hectares a year.

In the Teloi forest reserve, within the 1,000 hectares between Bukit Sultan in Baling and Bukit Ternas in Sik, illegal loggers cut down high quality timber and supplied them to certain contractors who hold logging permits, said SAM.

According to the memorandum, each log was worth between \$90 and \$130 depending on the grade. Among the species felled were the cengal, meranti, damar, Tualang and Merbau.

SAM said the authorities concerned have claimed that it is difficult to check illegal logging since new link roads have made the timber areas easily accessible to loggers.

The memorandum urged the government to impose stiff sentences on illegal loggers such as imprisonment and withdrawal of business licences.

SAM said forestry officials should also make regular visits and inspections to forest reserves.

The memorandum also urged the federal government to impose compulsory acquisition of forest reserves if the state government concerned was unable to act effectively against illegal logging.

DECADES NEEDED TO CLEAN KUALA LUMPUR RIVERS

Penang THE STAR in English 16 Sep 83 p 11

[Text] Kuala Lumpur, Thurs.--It will take several decades of hard work, public cooperation and funds before the city's two main rivers--the Gombak and the Klang--are rejuvenated and cleansed, two environmental scientists said today.

Dr Mohamed Ismail Yaziz and Dr Muhamad Awang of Universiti Pertanian Malaysia's Faculty of Science and Environmental Studies said today that as a start, the public should be immediately educated on the clean-up campaign. The scientists, responding to the Government's call for a community effort to cleanse the rivers, met Federal Territory Minister Datuk Shahrir Abdul Samad this morning to discuss strategies which may be adopted in the campaign.

"It may take a long time before the river waters are clean again. After all, it took 100 years to clean the River Thames in England," Dr Ismail said.

"It can be done technically but it will need the participation of the community, the local authorities and the industries to achieve results. A lot will depend on how successful we are in changing the people's attitude towards the rivers."

The strategies discussed are:

- .Identifying the various sources discharging pollutants into the river;
- .Setting up a long-term monitoring unit to examine the improvements in the quality of water; and
- .Determining the legal aspects of river management and establishing a river bank maintenance and beautification scheme.

Dr Ismail said: "We feel that all these strategies are possible if the various agencies co-operate in the campaign. Perhaps a task force within these agencies could be set up.

He added that the Science, Technology and Environment Ministry was looking into the sources discharging pollutants into the rivers and had drawn up an inventory on the discharge points.

Dr Ismail and Dr Muhamad will conduct studies to work out a long-term programme encompassing the strategies. They need at least a year before they can formulate a comprehensive programme.

Both men had responded to Datuk Shahrir's proposal for a clean-up effort because it was in line with their field of research in environmental pollution.

Dr Ismail has studied the River Langat to determine the impact of urbanisation and industrialisation while Dr Muhamad is now studying the Ulu Langat Reservoir, which supplies water to the city.

Both studies are university projects, but Dr Ismail stressed that their interest in the Klang-Gombak project did not involve their faculty.

"In fact, we have yet to consult our dean on this so we don't know whether it will be a UPM project.

"Besides, there are a lot of financial constraints to consider. Perhaps the private sector can help in this aspect," he said.

CSO: 4200/44

ANTI-COMMUNIST TERRORIST DRIVE WILL CONTINUE

Kuala Lumpur NEW STRAITS TIMES in English 13 Sep 83 pp 1, 2

[Text]

KUALA LUMPUR. Mon. — Malaysian security forces will continue their drive against communist terrorists (CTs) operating along the Malaysia-Thai border despite the expected surrender later this month of 500 CTs in southern Thailand.

Defence Forces chief Jen. Tan Sri Ghazali Seth, commenting on a report of the expected en masse surrender, said this did not mean that the CTs were no more a menace.

He said the CTs would probably be demoralised and their ranks reduced but it did not mean the end of the insurgency problem in Thailand or Malaysia.

However, he added that the surrender was important as the guerillas were considered the only powerful band of CTs left in Thailand following their defeats in the north and northeast regions due to continuous anti-terrorist campaigns by Government forces.

A report from *The Bangkok Post* today said some 500 communist insurgents, including

members of the Communist Party of Malaya, were planning to surrender en masse to the Government in Thailand's southern Pattani province.

The paper quoted a spokesman for the Internal Security Operations Command (ISOC), Col. Vichien Sundaraks, as saying the surrender would take place between Sept 27 and 29.

"I believed that some of the CTs are from the Marxist-Leninist faction of the Communist Party of Malaya. The surrender will mean that the ranks of this split-away faction of the CPM proper will be greatly decimated.

"This is because the CPM Marxist-Leninist faction has only 350 active members and if large numbers of those surrendering belong to the faction, of course, its activities and strength will be reduced," Jen. Tan Sri Ghazali said.

He also said Malaysian security forces were in touch with their Thai counterparts on developments through the Regional Border Committee (RBCO).

He, however, warned that security forces must be on the alert since the surrender would not be the end to the communists' armed struggle to set up communist governments in the region.

The Defence Forces chief also said the surrender was significant because it was the first such incident in the southern region of Thailand.

Previously mass surrenders had occurred in the north, northeast and central regions of the country.

The mass defection was also significant because it would be a blow to communist terrorist operations in the south, leaving only about 1,000 active insurgents to wage the war of attrition against Thailand's Fourth Army.

It is believed that most of the CTs, who would be giving themselves up, are of Thai origin. Some are said to have been born in Malaysia.

Jen. Tan Sri Ghazali said the surrender ranked second to an earlier surrender of 200 CTs in the same region a few months ago but he did not give further details.

ARMY TRAINING CENTER TO MOVE

Kuala Lumpur NEW STRAITS TIMES in English 13 Sep 83 p 1

[Text] Kuala Lumpur, Mon.--There are plans to move Pulada (the Army Training Centre) from Ulu Tiram in Johore to either Gemas on the Negri Sembilan and Malacca border or to the Segamat-Mersing area in Johore, Chief of Defence Forces Jen. Tan Sri Ghazali Seth said today.

He said rapid development in Johore, particularly in the Johore Baru and Kota Tinggi areas have left them no choice but to move the country's only jungle warfare training school to a more appropriate location.

The Johore State Government had approached the Ministry of Defence. "Mindful some (our back) stating that they wanted part of the Pulada area for development purposes."

The Johore Government has been sympathetic with us and recognized the need for such a move and we too understand these problems," he added.

The Defence Forces Chief said the move would not be immediate but would be completed in 1984.

down and added that it would be carried out in phases beginning in 1981 or 1982.

It is understood that the first phase would put Pulada as part of the Army Combat Centre Complex together with the cavalry and artillery training centres.

The proposed move would be completed by 1984 but certain training facilities in Ulu Tiram would still be retained by the Army for use by other training centres and units in the Johore Baru area.

The relocation of the centre will mean a search for 2,000 hectares to accommodate the various facilities.

Pulada was set up by the British in 1951 for training of their Far East Land Forces and was then known as the FAR ELP Training Centre. Its name was later changed to the Jungle Warfare School.

When the British troops moved out, the Malaysian Government took over the school and in 1972 changed its name to Pulada.

C50: 4200/42

ARMY RECEIVES NEW TANKS

Kuala Lumpur NEW STRAITS TIMES in English 14 Sep 83 p 1

[Text]

PORT KLANG, Tues. — Twelve British-made Scorpion light tanks, the first of a total consignment of 26, arrived here today to boost the firepower of the Army Cavalry Corps.

The tanks, worth about \$1.2 million each, arrived by a Dutch container ship.

The remaining 14 tanks, together with 25 armoured personnel carriers (APCs) are expected to arrive by the end of the year. The contract for the tanks and APCs was made two years ago.

Training

French and West German companies competed for the Malaysian contract for tracked light tanks and APCs to complement its West German Condor wheeled APCs and Belgian Sibma armoured fire support vehicles.

This is the first time that the country is buying light tanks to meet its conventional warfare strategy and the build-up of the Cavalry Corps.

The tanks are expected to make two squadrons of the 11th Cavalry unit.

The Nedlloyd Houtman that docked this morning unloaded the containers containing the Scorpions which were then taken to the 13th Artillery Regiment at Sungai Besi this afternoon.

Present today was a technical team from the manufacturers, Alvis Ltd, in Coventry.

Army Chief Jen. Tan Sri Zain Hashim later took a first-hand look at the new arrivals.

To date, 14 Malaysian soldiers have been trained to handle the tanks in Britain.

The Scorpions will show their paces at the Armed Forces 50th anniversary parade on Friday.

The tanks are equipped with the latest 90mm Belgian-made cannons. Thirteen of the 25 APCs will be mounted with 20mm cannons while the rest will have 7.62mm twin General Purpose Machine-guns (GPMG).

MALAYSIA MAY SET UP SMALL ARMS INDUSTRY

Kuala Lumpur BUSINESS TIMES in English 31 Aug 83 p 17

[Article by Robert Mahoney]

[Text] AN assault rifle stamped "Made in Malaysia" could be on the market by the end of the decade if plans now on the drawing board survive government budget cuts expected this October.

The rifle would be the first modern infantry weapon manufactured in Malaysia, which defence sources say is lagging behind its South-East Asian neighbours in arms production.

The government has set up a task force to look into the project which has already aroused the interest of 17 foreign arms manufacturers.

One of them will be chosen to work with the government-backed Heavy Industries Corporation of Malaysia (Hicom) to turn out the rifle which is expected to fire standard 5.56mm bullets.

The reasons for embarking on a nationally-produced rifle are largely military rather than economic, the sources said.

Enemies

Malaysia could probably buy the arms more cheaply on the highly competitive world market but it wants the strategic security of uninterrupted supply lines which only a locally-

based industry could give, they said.

Even a tie-up with its partners in Asean has been ruled out for this reason, they said.

These countries already have some form of established arms industries and several are ahead of Malaysia in terms of research and development.

The Thais and Filipinos are able to make or refurbish the M-16 rifle manufactured by the American firm Colt, while Singapore's Chartered Industries is widely advertising the home-grown SAR-80 assault rifle.

"In theory we could have bought from Singapore," said Saufi Abdullah, Hicom's executive director and chairman of the task force.

"But for many reasons that is impossible, not least because we want to be self-reliant," he told Reuters.

This echoes statements from the Ministry of Defence which has stressed the need for independence.

"We realise that Malaysia should have a certain industrial defence capability as part of the nation's self-reliance policy," Deputy Defence Minister Abang Abu Bakar said told a local newspaper recently.

The government has now identified the assault rifle as one of the strategic items we need. In times of war, erstwhile friends can become our enemies or choose to remain neutral, and our arms supplies can be cut," he said.

Malaysia's 99,000-strong armed forces are currently equipped with US-made M-16s which fire a high velocity 5.56mm calibre bullet.

A local firm, Malaysia Explosives Sdn Bhd, already manufactures 5.56mm ammunition but some military experts believe the factory would have to be upgraded if it were to become the sole supplier of rounds for the made-in-Malaysia rifle.

If the project gets the green light after October it could still take five years before a Malaysian infantryman fired a shot from the new weapon, Saufi said.

The task force had just shortlisted five foreign companies and asked them to produce a feasibility study, Saufi said.

The firms are Sterling Armaments of Britain, Heckler and Heckler and Koch of West Germany, Fabrique Nationale Herstal (FN) of Belgium, Famas of France and Steyr Daimler Puch of Austria, he said.

Knowhow

Noticeably absent are American manufacturers who would not agree to the equity terms and other conditions sought by the Malaysians.

Hicom would demand a majority holding, probably 70 per cent, in any joint venture and the prospective foreign partner would have to undertake to export a proportion of the locally-made rifles, defence sources said.

This could prove difficult for some of the firms whose customers might prefer to buy directly from the parent company rather than Malaysia.

But the government, which has recently embarked on a privatisation policy for other industries, wants the project to be profitable, Saufi said.

"This means looking to the export market because the domestic market, the Malaysian armed forces, is relatively small," he said.

The sources estimated that total requirements of the three armed services, the territorial army and police would be between 200,000 and 300,000 weapons depending on the number of rifles the Defence Ministry decided to hold in reserve.

But the new company might not exactly be flooded with orders since the army, its main customer, cannot afford to replace its M-16s until about 1990, the sources said.

Sauji said the government wanted to bring in the private sector rather than run the project on the lines of a state ordnance factory.

He hoped that some components for the new gun could be bought

from local manufacturers with only high-technology parts such as the barrel and rifling coming from the foreign firm.

Eventually the skill and know-how needed to make the entire rifle

could be transferred to Malaysia, he said.

Military sources, however, believe it could be a long time before overseas firms reveal all the secrets of manufacturing processes developed over many years. —
Reuters

CNO: 4/10/85

ISLAMIC EDUCATION BOARD ESTABLISHED

Kuala Lumpur NEW STRAITS TIMES in English 13 Sep 83 p 2

[Text]

KUALA LUMPUR, Mon. The Government has set up an advisory board for the coordination of Islamic education, Deputy Prime Minister Datuk Musa Hitam announced today.

He said the board would coordinate Islamic education in religious schools in the country.

In a statement after chairing a meeting of the Committee for the Development of Islamic Affairs here, he said the setting up of the board had been agreed to by the Council of Rulers.

The board was also aimed at upgrading the quality of education to enable students from mosque schools to equip themselves with qualifications to become religious teachers and religious officers or to pursue further studies in

institutions of higher learning locally or overseas.

The board would carry out studies and come out with proposals to achieve this objective, he added.

Datuk Musa said the board would also provide training for religious teachers to enhance their capabilities to help upgrade the standard of religious education.

Committees

The board would provide advisory services to State religious departments on various aspects of religious education in the schools.

It would be responsible for the fair distribution of aid and grants for the benefit of religious schools.

It would draw up the syllabus and curriculum for religious education and determine requirements, arrange and

perform examinations and issue examination certificates for the schools.

Datuk Musa said the board would appoint an education syllabus and curriculum committee, a committee for text books and an examination and certificates committee.

He said the religious division in the Prime Minister's Department would be the secretariat for the advisory board.

The board would comprise a chairman, a deputy chairman, a representative from every State University, Kebangsaan Malaysia (UKM), Universiti Malaya and the Education Ministry, an expert in religious education and the secretary of the National Islamic Affairs Council.

Most of the Menteri Besar and Chief Ministers attended the meeting. —Bernama.

UMNO MAY EXPAND TO SARAWAK

Kuala Lumpur NEW STRAITS TIMES in English 14 Sep 83 p 2

{TEXT}

KUALA LUMPUR, Tues.

— Umno will consider the question of its expansion to Sarawak after it has received an official report from Parti Pesaka Bumiputera Bersatu Sarawak (PBB) which mooted the idea. Umno secretary general Datuk Mustafa Jabar said today.

He said Umno would wait for it in "black and white" before studying the matter.

He was commenting on reports that the PBB at its triennial assembly in Kuching had adopted a resolution urging the party to find ways to enable Umno to expand to Sarawak.

Datuk Mustafa said if the report was true, the PBB would be sending an official note to Umno headquarters "and then only could we study the matter and bring it up at the Umno Supreme Council meeting."

The resolution, tabled by the Matu Daro PBB in the Third Division, also suggested that Bumiputera parties in Sarawak merge to become Umno Sarawak.

He said Umno headquarters could not yet ascertain whether this meant that the PBB wanted to dissolve and become Umno or that

Umno set up branches in the State.

He said the matter had to be studied carefully as the resolution was made by the leading party of the State Barisan Nasional.

Datuk Mustafa said the situation was different from Sabah where it was individuals and not the ruling Berjaya party which urged Umno to spread its wings to the State.

Memorandum

Recently, Umno headquarters received copies of a memorandum to this effect from the pro-tem committee to set up Umno branches in Sabah.

Copies of the memorandum, signed by committee chairman Datuk Mohamed Dun Hanir, were also sent to Umno president Datuk Seri Dr Mahathir Muhammad and deputy president Datuk Musa Hitam.

Datuk Mustafa said the matter was up to Datuk Seri Dr Mahathir to decide.

He said prior to this, Umno did not have any plans to set up branches in Sabah and Sarawak.

He also said the party constitution need not be amended if Umno wanted to expand to the two States — Bernama.

BRIEFS

OIL OUTPUT INCREASE PREDICTED--The country's oil production rate is expected to increase by five per cent soon to support the economy in view of the current world economic recession. However, production will be cut back as soon as the economic situation improves, probably after 1985. According to Government sources, the country's current production is 300,000 barrels a day from oil fields in Sabah, Sarawak and Terengganu. "Terengganu alone accounts for one-third of the country's total production," the sources said. The sources said even with the additional supply, it would not in any way upset the country's future oil production. The sources, however, did not reveal when the increased output would begin. Meanwhile, Petronas is intensifying its activities in offshore Terengganu and will be constructing five more oil rigs before the end of this year. Presently it has 11 production platforms. The latest rig brought to Terengganu by Petronas was jack-up rig /*Parameswara*/ [in italics] which has been deployed in the Bayun gas field. [Text] [Kuala Lumpur NEW STRAITS TIMES in English 6 Sep 83 p 21]

CSO: 4200/42

TRADE RELATIONS WITH USSR EXAMINED

Wellington THE EVENING POST in English 31 Aug 83 p 15

[Text]

Moscow views New Zealand-Soviet trade relations as healthy and likely to keep expanding, despite a whopping trade imbalance which favours this country 34 to 1.

A market researcher for the Soviet Ministry of Trade, Mr Andrei Chuiko, noted this in an article on bilateral trade issued by his ministry.

"The prospects for expanding trade and economic co-operation between the Soviet Union and New Zealand can be evaluated as favourable. This co-operation develops at rather swift rates, having reached substantial scope by now," he said.

Energy scope

Mr Chuiko added it was believed in the Soviet Union that New Zealand's "current economic situation" offered possibilities for further bilateral co-operation, particularly energy.

The vast energy programme implemented by the New Zealand Government

creates prerequisites for the participation of Soviet firms in the realisation of the number of power, petrochemical and gas projects.

"The principles of reciprocal trade, and in particular, exchanges of Soviet agricultural for livestock breeding products from New Zealand can also be applied as a form of two-way trade," he said.

Mr Chuiko noted that butter was a relatively new Soviet import item from New Zealand.

The Soviet Union has been buying New Zealand butter since 1980. Mr Chuiko said Soviet trade specialists believed butter would become a "constant component" of New Zealand exports to the USSR, providing the demand continued.

This country's butter exports fill about 14 percent of the Soviet Union's butter requirements.

Mr Chuiko said that the stability in deliveries of New Zealand's wool, meat and butter exports was welcomed by Soviet authorities.

Ninefold

He estimated that trade between the two countries had by 1982 increased by nine times that of the early 1970s. Trade is currently worth \$500 million annually to New Zealand.

Soviet imports from New Zealand represent almost 97 percent of the goods turnover between the two countries, he noted.

Soviet exports to New Zealand include primary industrial articles and raw materials. Metal-cutting machines, rolling bearings and Lada vehicles make up between 30 and 40 percent of Soviet exports to this country.

Mr Chuiko referred to New Zealand's decision to stop importing Soviet cameras and to cut back on imports of Soviet watches.

Despite this decision, Soviet trade experts believed New Zealand could absorb these and other Soviet leisure goods, he said.

He also considered there were good prospects for developing joint-venture fishing within New Zealand's 200-mile zone.

STATE BUYS SOVIET VEHICLES

Wellington THE EVENING POST in English 25 Aug 83 p 28

[Text]

THE GOVERNMENT has bought Soviet vehicles for the first time in its annual bulk vehicle order.

Forty-four Lada-Niva four-wheel-drive vehicles are among the 3082 ordered by the official committee which purchases vehicles for most government departments.

Releasing the figures today, the committee's chairman, Mr Bill Shearer, said the orders were worth a total of \$45 million. The purchases range from heavy vehicles to motorcycles.

The biggest single order, as last year, goes to General Motors, which will supply 1048 vehicles, though this is down on last year's 1314.

Nissan gets the second biggest order and the biggest gain at 880, compared to 273 last year. Other large orders go to Ford (651), Toyota (278) and Todd Motors (133).

The Lada-Nivas will be used by eight departments: Lands and Survey, Works, Mines, Agriculture and Fisheries, Transport, the Forest Service, the D&IR and the Ministry of Energy's electricity division.

Ladas are imported to New Zealand completely built-up by Avto Import of Petone, a wholly owned subsidiary of Amalgamated Marketing of Auckland, which plays a leading role in the export of primary produce to the Soviet Union.

Avto's general manager, Mr John Hebron, said today that he was delighted with the Government's order for Lada-Nivas, which would help trade between New Zealand and the Soviet Union. (At present the trade balance is heavily in New Zealand's favour).

"We think it was a very good move, a step in the right direction," Mr Hebron said, and the office of the Soviet Embassy's commercial counsellor had told him it was "very, very pleased."

The official committee's orders for vehicles will end up at just over \$100, as about 20 orders have still to be finalised. The figures do not include orders by the Post Office, Railways and hospital boards.

The Post Office has ordered 1409 vehicles, almost the same number as last year's 1400. The cost will be \$17.6 million. General Motors has the largest order here too, for 450 vehicles.

The full list of inter-departmental committee orders is: General Motors 1048, Nissan 880, Ford 651, Toyota 278, Todd Motors 133, NZMC 65, Northern Motors Distributors (Suzuki) 64, Daihatsu 49, Avto Imports (Lada) 44, Mazda 1, Jeep 1, Mollier Yamaha 61, South Pacific Distributors (Suzuki motorcycles) 4, Blue Wing Honda 3.

Post Office orders: General Motors 450, Toyota 282, Nissan 251, Ford 197, Todd 164, NZMC 64, Mazda 1.

CHINA TO BUY NEW ZEALAND STEEL

Christchurch THE PRESS in English 8 Sep 83 p 23

[Text]

A New Zealand company has an agreement for the long-term sale of wire rod and steel reinforcing bar to China.

The deal was arranged during a recent visit to China by representatives of the Export-Import Corporation and Pacific Steel.

The corporation's general manager Mr C. B. Stanworth said orders were arranged for the supply by Christmas of 12,000 tonnes of steel products and 3000 tonnes of pulp worth \$5M. Long-term trade in these products would be worth many times that sum, he said.

The corporation has been dealing with China on steel

and other products since 1975 and since 1978, China has bought more than 71,000 tonnes of wire rod and reinforcing bar.

Pacific Steel's managing director, Mr J. R. Dale, said the deal would present the company with a challenge. To cope with expected orders, it would bring in a third shift at its rod mill, providing 22 more jobs.

Pacific Steel was already importing about 10M tonnes of various steel products a year to China, Mr Dale said.

He said it was obvious in China that a huge construction was about to start including several new hotels in Peking and other main cities.

CSO: 4200/52

EXPORT CAMPAIGN TO AUSTRALIA LAUNCHED

Wellington THE EVENING POST in English 6 Sep 83 p 1

[Text]

FOCUS New Zealand, an export campaign to triple trade with Australia, was launched by exporters and the Government at the Beehive today.

Sponsored by the Department of Trade and Industry and private business, the campaign will promote among New Zealand exporters the advantages inherent in the Closer Economic Relations agreement, and co-ordinate promotion of New Zealand goods across the Tasman.

Its organisers see it and CER as the best growth opportunity for New Zealand exports since the British imperial preferences of the pre-war era.

A distinctive blue, white and red symbol would be used as part of the three-year drive.

Top 100

In launching the campaign today, the Prime Minister, Mr Muldoon, in an address to 100 of the country's top business people, said the Government was prepared to commit up to \$250,000 to the scheme this year. The finance house Marac would be the major private sponsor.

Mr Muldoon told guests that the CER agreement had set the scene for further expansion of trans-Tasman trade.

CER placed the future of the trade back where it belonged — "in the hands of the private sector."

"So it is we come to Focus New Zealand, a campaign to harness the flair, imagination and drive of New Zealand exporters. It is an unusual, perhaps in its way unique, joint venture between the public and private sector."

Mr Muldoon said the campaign was largely developed from the initiative of the Export Institute.

"What we want in the economic sphere is a well mounted, sustained attack on the Australian market — a

friendly attack in the sense the CER is a partnership from which each party seeks to obtain benefits commensurate with its ability as a fair, trading partner."

He said many businesses stood to gain from CER, but the rewards would not be easily won. Businesses here faced an opportunity to widen their horizons to Australia, and a challenge of greater competition at home from Australian industry.

"The two are interlocked; if we respond with better products and more competitive prices to meet competition here, then it follows that at least in certain areas, we will be better equipped to sell on the Australian market and others."

\$250,000

Mr Muldoon said the Focus New Zealand board needed two things: well-thought-out ideas, and reasonable financial backing. The Government had agreed to contribute up to \$250,000 in this financial year.

"The primary goal of Focus New Zealand is to generate a real increase in our exports to Australia over a three-year period. This is easier said than done."

"We all know that these are difficult economic times. The tide is also running strongly against some of our traditional exports."

He said overall this country supplied only 3 to 4 percent of Australia's total imports. "We can and must improve this share."

He said Focus New Zealand would educate our exporters to a greater awareness of Australian market demands and potential, and exports created jobs.

The campaign's theme involved co-operation, with big companies joining the small, experienced exporters helping newcomers, and competitors locally joining together in Australia in a united effort, Mr Muldoon said.

ENERGY PLANNERS FORECAST LOWER ECONOMIC GROWTH

Wellington THE EVENING POST in English 9 Sep 83 p 2

[Text] The Government's 1983 energy plan, tabled in Parliament, forecasts a lower rate of economic growth in New Zealand than last year's plan.

The plan forecasts an annual 2.2 percent growth rate in the gross domestic product, compared to last year's prediction of 3 percent annual increases.

According to the plan, the latest forecasts were based on a broader approach than previous years in analysing the New Zealand and world economies. The major energy projects were expected to push growth rates up in the medium term towards the late 1980s.

The energy plan is the fourth prepared by the Government, in its attempt to rationalise the whole energy spectrum and give a good idea of likely trends over the next 10 to 15 years.

The Minister of Energy, Mr Birch, has welcomed the latest plan as "good news." He said it showed that very good progress was being made on developing and using the nation's energy resources.

The plan forecasts, among other things, that

- New Zealand will be more than 50 percent self sufficient in transport fuels by 1986, and probably in all liquid fuels.
- Big-scale coal development, particularly in the Waikato area, should see North Island coal

production increase nearly fourfold over the next 10 years.

- Primary energy supply from indigenous resources should account for 87 percent of total energy supply by 1988, up from the current 77 percent. Primary energy refers to the total energy that is mined, extracted or imported and includes oil and condensate, hydro-electricity, coal, geothermal and natural gas.

- The real price of imported energy is expected to rise in the medium term, while indigenous energy prices are expected to remain constant.

- There is now a good margin of hydro-electrical generating capacity over expected demand, although Central Otago hydro projects based on dams at Laggate, Queensberry and Kawarau are still scheduled to be commissioned respectively in 1991, 1993 and 1997.

- A new Cook Strait power cable is scheduled to be installed in 1993.

- Oil will remain the dominant consumer fuel until the turn of the century, but the natural gas share is expected to double over that period.

- New initiatives on the use of geothermal energy, intended to cope with conflicting calls for uses such as energy, tourism, scientific and cultural purposes, are being studied by the Ministry of Energy.

- Priority will be given to a new energy conservation strategy.

LABOR PARTY FAVORS 'FREE TRADE' WITH AUSTRALIA

Christchurch THE PRESS in English 14 Sep 83 p 4

[Text]

NZPA Canberra

A New Zealand Labour government would move to free trade with Australia and would be more active in trying to discourage French nuclear testing, said the leader of the New Zealand Opposition, Mr Lange, in Canberra yesterday.

Mr Lange said it was wrong to have a blanket embargo on Australian investment proposals in New Zealand and he would relish the chance in government to resolve this and other trading issues very rapidly.

It was inconsistent to have a free flow of people between Australia and New Zealand while having restraints on the flow of goods and capital.

Mr Lange was speaking at the National Press Club after earlier meeting the Prime Minister, Mr Hawke, and addressing the caucus meeting of the Australian Labour Party.

"We are an integral part of your exporting market and you are basic to our economic survival," Mr Lange said in answer to

questions from the national news media.

Earlier this year a blanket ban was placed on Australian investment in New Zealand by the New Zealand Government until concessions on the rationalisation of the Australian motor-vehicle industry were obtained.

Mr Lange said it was his view that the demand for motor industry rationalisation was a very strong issue in New Zealand and he did not see it as a form of economic retaliation.

However, the blanket embargo on investment proposals was wrong.

"He (Mr Muldoon) might think it is a strong negotiating point, but from my talks here it seems to be the reverse.

"I don't see how you can advance the interest of a country seeming publicly and politically, for domestic political consumption, to be at odds over critical transnational interests," Mr Lange said.

"Therefore I would recommend to my people that

we take a different negotiation posture in the hope that we solve it. I would relish the chance in government to resolve those issues very rapidly."

Mr Lange indicated that a New Zealand Labour government would no longer send New Zealand scientists to Mururoa Atoll to monitor French nuclear testing and would make stronger diplomatic protests.

"I come from a party which has been emphatically opposed to French nuclear testing."

He said the New Zealand Labour Party's economic spokesman, Mr Roger Douglas, had talked to the Australian Treasurer, Mr Paul Keating, with a view to establishing better economic relations when Labour became the government.

"In my view winning the next election is not a challenge - it is being there three years afterward."

A maximum understanding between the two countries' Labour governments would not mean some sort of double act between the two leaders.

EXPORTS HELP CUT DEFICITS

Auckland THE NEW ZEALAND HERALD in English 1 Sep 83 p 1

[Text]

Wellington
New Zealand has reduced the cash deficit in its balance of payments with the rest of the world to \$678 million for the year ended July.

It is the lowest current account deficit the country has had in its overseas exchange transactions since September 1981.

And it is the first time since January last year that the deficit on an annual basis has been under four figures.

It represents a drop of \$931 million or 51.5 per cent on July 1982's deficit of \$1809 million, and is \$175 million lower than the \$1053 million deficit recorded for the 12 months to June this year.

Forest Products

Figures released by the Reserve Bank show the

substantial improvement was caused largely by a 13 per cent rise in export receipts totalling \$7435.2 million in the latest July year, compared with \$6500.5 million at July last year.

Only overseas earnings from forest products showed a decline over the 12 months, while meat receipts rose 14 per cent after recording negative or very low annual growth rates in the first six months of the year.

Coupled with a 5 per cent fall in import payments to \$6167.7 million for the July year, the improvement on the export front has given New Zealand's trade surplus a huge boost to \$1268 million, from \$127 million at July last year.

For the year to June 1983 New Zealand's surplus

in trade transactions was \$1088 million.

Not Enough

However the significant improvements on the trade front were not sufficient to outweigh the effect of a \$2145 million deficit on "invisible" non-trade transactions which is 10.8 per cent higher than the \$1936 million recorded in July last year.

Invisible receipts at \$1961 million were up by 19 per cent but were not enough to offset the 15 per cent rise in invisible payments costing \$4106 million.

Government and official borrowings for the year were only \$156 million (compared with \$1441 million in July last year) making a net total capital inflow of \$1508 million.

EDITORIAL VIEWS LAMB MARKET

Christchurch THE PRESS in English 30 Aug 83 p 20

[Editorial: "Lamb Market Under Threat"]

[Text] Only last year, the New Zealand Meat Producers' Board declared Japan a development market for export lamb. This meant that a special effort would be made to promote and expand New Zealand's share of lamb sales in Japan. Today, New Zealand is in danger of being squeezed out entirely by cheaper lamb from Australia. Sufficient was learned in the last year to know that New Zealand's whole approach to selling lamb to Japan has to be reassessed. The results of the efforts of the last 10 years, such as they were, are best described as dismal. A concerted campaign will be needed to make good the lost opportunities: whether the cut-throat competition from across the Tasman will allow the campaign to be mounted is another matter.

The Meat Board's chairman, Mr Adam Begg, acknowledged the deficiencies of New Zealand's lamb marketing in Japan when he spoke to the Meat and Wool Boards' Electoral Committee earlier this month. The effort, he said, "has lacked a cohesive strategy and effective management." In what is probably the world's most brand-conscious market, lamb had "failed in almost every respect." New Zealand lamb has failed to establish itself solidly on that market, small wonder, then, that Japanese traders are cancelling contracts for New Zealand lamb as Australian dumping of lamb on the market drives prices down to their lowest level since February 1979.

Australian shipments of lamb have pushed the price of lamb in Tokyo below the price of pork, and this makes lamb the cheapest meat on the market. This has happened in spite of a fall of about 10 per cent in pork prices. This decline in the pork price is largely a result of an expected resumption of shipments of Danish pork to Japan. Australian justification for its cheap sales has been along the lines that Australia has been forced to concentrate lamb sales on Japan since New Zealand sent a large quantity of low-priced mutton and lamb to the

Soviet Union in July. Traditionally, however, Australia has placed little dependence on the Soviet Union as an outlet for its sheepmeat. South Australian and Victorian producers, who have had difficulty with Middle East contracts, are believed to be the source of substantial amounts of the lamb now turning up in Japan.

Australian sellers have undercut New Zealand prices in Japan in previous seasons, but this year's activities have had the most marked effect. Lamb carcass trading in Tokyo indicates a serious disruption to New Zealand's \$35 million-a-year lamb trade with Japan. At the peak of the Japanese buying season, trading was suspended while the impact of Australian quotations was analysed. At least one contract, for 200 tonnes due for shipment in September, is known to have been cancelled by the Japanese traders in favour of cheap, Australian lamb. Japanese financial newspapers are predicting that the Australians will continue to offer low sheepmeat prices "for some time." The New Zealand Meat Producers' Board, committed to promoting lamb as a high quality table meat, is unlikely to try to match the cheap prices.

Even if the Meat Board considered that a price war might yield other advantages, it could not match the Australian price without suffering a substantial loss. New Zealand farmers are at present guaranteed \$1.46 a kilogram for the average export lamb, including 32c a kilogram from the taxpayer by way of S.M.P.a. and a variable, but undisclosed amount from the Meat Board's own stabilisation scheme. Before New Zealand lamb reaches the Japanese market, killing, processing, and shipping charges have to be added to this \$1.46 a kilogram. The Australians are offering lamb landed in Japan at \$1.50 a kilogram. This is just over half the ruling price for lamb on the Smithfield market last week.

The Meat Board has already forecast a trading deficit this year of about \$200 million.

Clearly, this is not the best time for a savage price war with Australian producers. The long-term consequences of Australian activities on the Japanese lamb market are no less important. Lamb in Japan has the reputation of being a cheap meat, and is often placed beside mutton in the shops at very little price difference. Although Japanese consumption of meat has trebled in the last 15 years, lamb represents less than half of 1 per cent of a total meat market dominated by pork and poultry. Efforts to present lamb as a distinctive, high-quality food are jeopardised when lamb is dumped on the market. Almost inevitably, the Japanese consumers will put their own rating

on lamb and, in the end, supply and demand will settle the market.

Although lamb is, as yet, such a small part of the Japanese meat market, Japan is consistently in the top five markets for New Zealand lamb, taking about 7 per cent of New Zealand's exports. Given the lack of problems about access to the market, the lack of a directly competing domestic production, and a potential market of 117 million people among the most affluent in the world, the future for lamb sales in Japan could still be good. Without some better liaison across the Tasman, efforts to capitalise on that market could be undermined by short-term expediency.

MOTOR FUEL SELF-SUFFICIENCY FORECAST

Auckland THE NEW ZEALAND HERALD in English 9 Sep 83 p 3

[Text]

Government targets for increasing New Zealand's self-sufficiency in transport fuels will be achieved if predictions made in the 1983 energy plan prove correct.

The energy plan, tabled in Parliament yesterday, suggests a self-sufficiency level of 53 per cent will be reached by 1990-91, taking into account the production from the McKee and Pouni oil fields.

And it indicates 60 per cent self-sufficiency will be achieved if other Taranaki fields, such as Tuhua and Pukemai, prove commercially viable.

The forecasts were welcomed by the Minister of Energy, Mr Birch.

"It is a source of personal satisfaction to me that New Zealand will have achieved the goal of 50 per cent self-sufficiency by the mid-1990s, set by the Government late last decade," he said.

Significant Progress

"Indeed, current indications are that we will be 50 per cent self-sufficient in all liquid fuels."

Mr Birch said the Government's programme of replacing imported oil had made significant progress since it began in 1981 and further oil or gas discoveries would provide an additional boost.

The production of 200,000 tonnes of oil a year from McKee and Pouni was due to start late next year and could continue for about 10 years.

Largest Contributor

The energy plan records a greater use of compressed natural gas than was forecast and predicts that the trend of increased vehicle conversions should continue until about the end of the decade.

There are now 44,000 CNG-powered vehicles on New Zealand roads, says the plan, and the use of the fuel is saving about \$34 million by substituting imported petrol.

The Maui gas field will remain the largest single contributor to New Zealand's liquid fuel demands in the 1990s, and increased gas production is expected to raise the yield of condensate from about 600,000 tonnes a year to about 700,000 tonnes.

Synthetic Crude

At that point, condensate from the Maui and Kapuni fields would provide nearly 20 per cent of New Zealand's liquid fuel requirements.

The energy plan also mentions the possible production of synthetic crude oil, suggesting it as a favourable option in the event of further gas discoveries.

The plan provides for an increase in the strategic store of diesel from 60,000 tonnes to 110,000 tonnes in 1996, providing sufficient reserves for 105 days at present rates of use.

AUSTRALIANS BLAME THE FORUM LINE FAILURE

REPRODUCED FROM THE NEW ZEALAND HERALD IN ENGLISH 17 Aug 83 p. 1

The dead hand of Australian bureaucracy has killed the South Pacific Forum Line, the New Zealand Prime Minister, Mr Muldoon, said last night.

Said an emotional New Zealand leader, described Australian officials in the Pacific aid section as being "Pacific ignorant".

He said that although all the other island states except the Solomon Islands were prepared to put up more money to keep the shipping line afloat, Australia would not.

"My belief is that we have come to the end of the road," he said.

Better Spent

But the Australian Foreign Minister, Mr Fraser, said immediately after Mr Muldoon had said that he agreed with it. Fraser, however, was adamant that the line will never be viable properly.

Mr Fraser said more money spent in the line as policy, Australia, does not see it as a line.

headed realist, said the money could be better spent.

Bureaucracts

Mr Muldoon said the chairman of the line Mr H. I. Julian, who earlier in the day expressed some confidence that it might be kept going despite its financial straits, would have to call a meeting with shareholding countries.

Mr Muldoon said it would well be the wind-up meeting.

He made it clear that he did not blame the Australian Government over the issue but the "bureaucrats" in Australia's Pacific aid section.

He said they had opposed the line when it was first mooted at a New York meeting of the Pacific Island leaders, some years ago, and were still wrong then.

The Island nations had admitted a willingness to give up a part of their Australian aid to start it.

He said the dead hand of Australian bureaucracy had killed the line.

Loss of Money

The forum line has three ships in service, linking nations from Papua New Guinea to Western Samoa, Micronesia to the north and to Australia and New Zealand, and provides in many cases essential feeder and mainline services for food and exports.

If it folded, those islands would be dependent on commercial shipping services, he said.

South Pacific Forum nations, which have shares in the line, also stand to lose money because they guaranteed a soft loan of about \$12 million from the European Investment Bank during the past 12 months to recapitalize it.

Mr Muldoon said the line would not be taken up and it would cost money not to do so, but the biggest loss would be to the Pacific region.

He said the Australian aid officials had not appreciated what it would mean to Island nations with particular regard to export of food to depend on commercial shipping services to get their products to the market.

FORUM LINE MAY USE EEC FUND

Auckland THE NEW ZEALAND HERALD in English 8 Sep 83 p 20

[Text]

Two major development projects in the South Pacific will have to be cut or postponed to keep the South Pacific Forum Line afloat.

South Pacific Forum nations have decided to ask the European Economic Community to divert designated European aid money to the Forum Line to keep it afloat.

At Suva yesterday the EEC's resident technical officer, Mr Arne Neilson, said the money could be made available but it would be at the expense of some projects planned under the Pacific Energy Programme and the Regional Communications Programme.

Options Open

A member of the European Investment Bank is expected to visit New Zealand later this month to discuss the Forum Line's need for more cash.

Mr Neilson said he understood the Island nations had agreed to ask for \$3.5 million from EEC aid sources but the EEC was keeping its options open.

The regional energy and communications pro-

grammes have been given high priority by the executive arm of the forum, the South Pacific Bureau for Economic Co-operation.

The energy programme entails replacing mostly oil-based energy sources with solar power, hydro-electric schemes, wood fuel and coconut fuel.

Fuel Bills

It is designed to reduce the Island nations' heavy dependence on imported fossil fuels and introduce new, cheaper renewable energy sources.

Many of the tiny nations have critical balance of payments problems because of their large fuel bills.

The communications programme largely involves upgrading air navigational aids and improving facilities such as airport lighting.

It is also regarded as being important because better airports are needed to attract larger and more sophisticated aircraft, and in turn promote tourism.

Mr Neilson said the two projects were worth about \$12 million and involved some New Zealand interests and companies.

Ownership

He said the Forum Line had already been granted access to a \$5 million soft loan from the European bank to buy containers.

The line has already ordered the containers which will ultimately mean it will own about two-thirds of the containers it uses.

That loan was arranged last year, before the present situation arose last week as a result of the Australian Government deciding it would not give further financial support to the line.

The new containers are expected to save the line over \$1 million a year in container hire fees and it was one of the moves recommended by independent consultants the London-based Touche Ross Company to set the line up in a profitable manner.

Welcome

At Honiara a few days ago the Solomon Islands Minister of Foreign Affairs, Mr Dennis Lulei, welcomed the presence of the Polish Ocean Lines, which suits in competition with the Forum Line.

According to the New Zealand agent for the Polish line, Mr M. Pignatari, Mr Lulei told him the Polish Ocean Lines was welcome to continue its service from New Zealand and no obstacles would be put in its way.

The Polish line is an approved carrier of New Zealand Meat Board cargoes to both the Solomon Islands and Papua New Guinea and Mr Pignatari was seeking clarification of the Solomon Islands Government's position.

Mr Lulei attended the South Pacific Forum Conference in Canberra last week and his Government is among those seeking European aid money to keep the Forum Line going.

LABOUR UNANIMOUS SUPPORT LANGE

Article from THE EVENING POST in English 7 Sep 21 p. 16

Article by John Harper

Text

AUCKLAND, Today — After an intense weekend of debate, the more than 800 delegates attending the Labour Party's conference have emerged united and firmly behind the leadership of David Lange.

However, some important ideological differences among those at the party's top table remained far from resolved. For most delegates the weekend highlight was the impassioned speech by Mr Lange, in which the call for reconciliation touched a responsive chord and prompted the comment "He's earned his leadership spurs."

There were two other individual highlights, which together with Mr Lange's success, cemented the unity among the delegates and conference as a whole.

First, on Saturday afternoon, the former leader, Sir Wallace Rowling, was widely praised for a brilliant display of pragmatic leadership in steering the debate on foreign affairs reports.

On Sunday, the party's deputy leader, Mr Palmer, describing himself as an "academic lawyer," guided a complex debate on constitutional reforms to a peaceful outcome.

As presented to conference, the results demanded the manifesto include

policy agreed to by the conference, regardless of the views of caucus.

Another remit would have given party branches a critical say in electing the party leader and deputy, removing the decision from within the caucus room.

However, a package of amendments promoted by a number of MPs saw the remits amended to the liking of both MPs and delegates.

Both the president, Mr Anderton, and the finance spokesman, Mr Douglas, had a patchy conference.

True, Mr Anderton showed hard driving skill in pushing through remit debates more or less on schedule and true, Mr Douglas gave a very comprehensive address on economic and financial policy.

However, in respective addresses some yawning ideological gaps appeared, and by morning little headway had been made to close them.

Mr Anderton made an appeal to a return to what he termed as Labour's radical roots of the 1930s.

In doing so he seemed to be making an appeal for Labour to keep away from the middle ground occupied by National down the years and which Social Credit had unsuccessfully tried to take a slice of.

In effect, Mr Anderton was calling for a closer identity with the traditional left-wing concerns of social welfare and a more independent foreign policy. But he didn't spell it out.

In contrast, Mr Douglas said times had changed since Labour's radical roots were laid down.

Instead, he argued for a more pragmatic approach, one which built up a social concern and help based on first getting a healthy economy.

To some delegates, it was as if each had a part of Labour's "truth" in their hands, but were failing to stitch it together into a coherent policy which also showed a total social concern.

Some delegates said Mr Douglas' policies were in fact too radical, because they introduced an element of private enterprise into Labour's traditional socialism.

Other delegates suggested Mr Anderton had failed to realise the world had moved on from the 1930s and a new radicalism was needed — one more in tune with the 1980s.

To a large extent the differences between the two — if that's what they really are — could merely be over terminology.

However, it is clear that until a consistent set of terms to describe Labour's economic policies is worked out — are they pragmatic or radical? We don't yet know — the direction the future Labour government will offer to take this country if and when it becomes the government won't become clear.

EDITORIAL: DISMISSES LANGE AS NATIONAL SPOKESMAN

LONDON: THE PRESS in English, 15 Sep 83 p 20

[Editorial: "Messages to Australia"]

The leader of the New Zealand Labour Party, Mr Lange, on his visit to Australia, is in no position to make policy for New Zealand, but he can demonstrate — and has done so — that in some matters the New Zealand Government and the main Opposition party think alike. That is the outcome of the visit. A more important outcome is that Mr Lange has the chance to become familiar with the thinking of Australia on a number of issues and a chance to absorb Australian perspectives. This will serve him well in Opposition and, if Mr Lange's aspirations are fulfilled when New Zealand has a General Election, it will serve him well then.

Mr Lange has said that there will be no political union between New Zealand and Australia — a point more taken for granted in New Zealand than it is among some Australians. He has said that Australian prosperity is fundamental to the economic recovery of New Zealand, and that Australians should realise that they need New Zealand as a market for their manufactures. All these points have been made before. Mr Lange's comment about Australia's economic prosperity being fundamental to the recovery of New Zealand embraces something of the same idea, but it is more complimentary to Australia, than was the comment about New Zealand by a former Australian Minister, who said that Australia could not afford to have a slum on its back door. Those connected with Australian manufacturing have something of an appreciation of the importance of the New Zealand market to Australia. Many other Australians would not suddenly feel a warmth towards New Zealand because they hear occasionally that it is a good market for Australian manufacturers. On such matters, the New Zealand Government and Opposition are promoting fairly similar views in Australia, though in different ways.

It is the importance of New Zealand to one group of Australian manufacturers, the vehicle makers, that the Prime Minister, Mr Muldoon, has seized on in trying to make a stronger case over the differences in investment policy

between New Zealand and Australia. He has frozen Australian applications for investment in New Zealand and has postponed talks on the vehicle industries of both countries. A number of Australian officials are in Wellington, tidying up elements of the Closer Economic Relations agreement. The party was to have included officials who would talk about vehicles. After Mr Muldoon's decision, the talks about vehicles were put off.

The investment dispute seems set to continue for some time. Australia is trying to sort out its reaction to a report on foreign investment. It has to consider how the investment policies will affect the right of other countries, particularly Japan, to invest in Australia. When all is said and done, New Zealand investors probably do not amount to a great threat to Australia. Nevertheless, Australia has decided not to discriminate in favour of New Zealand at the moment. In the over-all development under C.E.R., New Zealand and Australia will come to discriminate in one another's favour and it may be only a matter of time before this applies to investment as it applies to many manufactures.

For the time being, however, Australia refuses to budge. The opportunity to retaliate will probably occur on a number of occasions while the dispute continues. No logical connection can be seen between investment procedures and the car industries. The connection must be made solely as a negotiating ploy.

Vehicle manufacturing was not embraced by C.E.R., though both Governments undertook to include it in time. The Industries Development Commission in New Zealand has reported on the vehicle industry. A similar report on the Australian industry was conducted in 1981 and was due to be introduced in 1984. The Hawke Government in Australia has shown no intention of revising that report. Because of the international aspects of car importing and manufacturing, both countries have to accommodate, by special means, the special trading relationship between New Zealand and Australia.

NATIONAL DEBT, ECONOMY ANALYZED

Manila Lampur BUSINESS TIMES in English 31 Aug 83 p 20

Text Manila, Aug. 30

THE Philippines' economy could deteriorate into "economic turmoil and even chaos" should foreign banking institutions freeze scheduled new loans for the country, top banking officials told *Agence France-Presse* yesterday.

The jitters swept foreign banking circles in the wake of opposition leader Benigno Aquino's still unexplained assassination Aug. 21, coupled with reports that President Ferdinand Marcos' health was shaky or "fast faltering."

An American banker who asked to remain anonymous said such a freeze would force the Philippines into rescheduling maturing loans "and instead of helping alleviate the situation, the banks could make it worse."

About US\$300 million to US\$350 million are due the Philippine central bank from foreign lending institutions to refinance old loans, while hundreds of millions of dollars more in private loans were also being readied before the Aquino assassination.

The Philippines has a foreign debt of over US\$18 billion, making it Asia's third largest foreign borrower after South Korea and Indonesia.

Annual interest and

amortization payments reached US\$2.24 billion last year, up 27 per cent from 1981.

Last year's Philippine balance of payments deficit totalled US\$1.1 billion and the government technocrats led by Prime Minister Cesar Virata are struggling hard to reduce this to US\$400 million this year.

The bankers, who would only agree to be identified as top officials here of American banks, were divided on whether scheduled loans should go on stream as planned or be frozen "because of the uncertain political situation in the Philippines."

However, the officials agreed that the group of top government technocrats led by Mr Virata and central bank governor Jaime Lava was a stabilising factor.

They told AFP that if the government were to change the economic and debt management of the Philippines should remain in the hands of the technocrats, who they considered "adequately politically independent."

An American banker said "the least that could be done by any new political power is to maintain the services of the current crop of technocrats in order to put the banks at ease, at least in the short to medium term."

The bankers incurred the belief that the Aquino assassination was politically motivated but refused to elaborate.

Mr Aquino returned after three years of self-exile in the US to lead the Democratic opposition here in a campaign to restore democracy in the country.

Despite harsh lending conditions, the World Bank and the International Monetary Fund have been supportive of the Philippines, and an IMF official here told AFP that "international bankers had no great worries about their exposure to the Philippines."

Quite a number of the banking officials interviewed agreed that the precarious political situation here has placed the Philippines in what one of them described as "a higher slot in the risk ladder" of foreign lending institutions.

What is also worrying, according to some, is that future foreign investments in the Philippines might slow down considerably because of fears the political situation would polarise further and increase the strength of the Communist New People's Army now waging a rural campaign.

They indicated that the next few weeks would bear very close watching.

AFP

SPOT RATES FIXED ON FOREIGN EXCHANGE

Manila BULLETIN TODAY in English 24 Sep 83 p 15

[Text]

The Central Bank of the Philippines has formalized into a circular a rule followed by the member banks of the Bankers Association of the Philippines on the spot buying and selling rates on foreign exchange, especially US dollar.

As prescribed under Circular No. 946, issued August 29, 1983, the minimum buying rate of banks for spot transactions of foreign exchange shall be 10 per cent below the prevailing guiding rate.

The maximum buying rate for spot transactions in foreign exchange shall be 1/2 per cent below the prevailing guiding rate.

In the case of export bills of over US\$100,000 or over (or its equivalent in other foreign currency) which are paid on telegraphic transfer basis (T/T) and on which the negotiating bank has made no peso advance, the maximum buying rate shall not exceed the guiding rate on the date of negotiation.

The minimum selling rate for spot transactions shall be 3/4 per cent above the prevailing guiding rate.

In the case of spot transactions for T/Ts involving \$100,000 or over (or its equivalent in other foreign currencies), the minimum selling rate shall be at least 1/8 per cent above the guiding rate on the date of remittance.

The maximum selling rate for spot transactions shall be 1 1/4 per cent above the prevailing guiding rate.

At the same time, the CB prohibited "splitting" of transactions and/or "splitting" of the documentation on the same transaction for the purpose of applying different rates.

It also imposed penalties on officers of banks found not complying with the provisions of the circular. They shall be subject to administrative sanctions under Section 34-A of RA 265, as amended.

Banking sources said that the CB wanted to rationalize the spot buying and selling rates by all banks of foreign exchange when issued the circular.

SAVINGS INSTITUTIONS POST 32.5 PERCENT GROWTH

Manila BULLETIN TODAY in English 24 Sep 83 p 15

[Text]

Savings and mortgage banks posted resources of P6.9 billion at the end of July, reflecting an expansion of P137 million or 2.0 per cent for July and a remarkable P1.7 billion or 32.5 per cent over a twelve-month period.

Substantial portions of the funds generated for July and for the twelve-month period found their way to earning assets, i.e., loans and investments. The earning assets increase for July of P97 million represented 70.8 per cent of the P137 million funds generated. For the twelve-month period,

banks invested 80.9 per cent of funds generated in earning assets.

Compared to deposits which were the major sources of funds of the industry, the increase in earning assets of P97 million in July and P1.4 billion for one year corresponded to 133.2 per cent and 96.1 per cent of the increase in deposits.

Only 6.1-per cent of total resources were held in liquid form as primary reserves. However, a total of P1.2 billion of secondary reserves in the form of income generating investment in bonds, bulk of which

are government securities, support the liquidity requirements of the industry. The large secondary reserves also form part of the stock loanable funds of the banks after considering the amount required for legal reserves of P428 million.

Deposits at end-July of P5.9 billion financed 85.4 per cent of the total resources of P6.9 billion and represented 1,239.3 per cent of the industry's networth. This month's deposits rose by a minimal P73 million or 1.3 per cent. However, the increase for one year was P1.4 billion or 31.9 per cent.

CENTRAL BANK ISSUES GOLD, SILVER EXPORT RULES

Manila BULLETIN TODAY in English 25 Sep 83 p 15

[Text]

The Central Bank the other day issue two circulars governing the exports of gold and silver from the country.

The first circular, No. 952 requires prior written authorization from the CB for an exportation of gold in any form.

It also provided for legal sanctions against officers in case the offender is a juridical person like a corporation, including a fine of not more than P25,000 and imprisonment of not more than 25 years.

Some exemptions were, however provided in the case of gold forming an integral or necessary part of one's personal effects provided they do not

constitute a commercial quantity or value which was defined as approximately P10,000.

The second circular, No. 951, requires that the exporter submit an export declaration to the CB through any of the banks, for every exportation of silver.

All silver exporters shall report to the export department of the CB any foreign sale of silver within 24 hours after the date of closing or consummation of the contract.

Similar exemptions as in the case of gold were also allowed.

At the same time, sanctions against violators of the circulars were provided.

SUPREME COURT ASKED TO DISQUALIFY MAYOR PIMENTEL

MINDANAO BULLETIN TODAY in English 26 Sep 83 pp 1, 13

[Article by Vicente Fox]

[Text]

The Supreme Court was asked Saturday to affirm the disqualification of Cagayan de Oro City Mayor Aquilino Pimentel and all city council members on the ground that the 18-month constitutional deadline for deciding the case has elapsed.

Francisco X. Velez, mayoral opponent of Pimentel in the city elections, filed an urgent motion asking the high court to affirm the decision of the Commission of Elections (Comelec) disqualifying Pimentel.

The Comelec had found Pimentel guilty of "turncoatism" by running as the guest candidate of the Mindanao Alliance.

Velez said the 18-month period for the high court to decide the case has elapsed since it was submitted for decision last Feb. 9, 1982.

Under the Constitution, the maximum period within which a case is to be decided from the date of its submission will be 18 months for the Supreme Court. When the maximum period has elapsed without the

case being decided, the judgment appealed will be deemed affirmed and the chief justice will issue a certification to this effect.

On the basis of this provision, Velez asked the high court to issue the certification and remand the decision appealed from to the Comelec for execution "so the ends of justice may thereby be better served."

The poll body's decision promulgated on July 3, 1981, declared Pimentel disqualified from running for mayor for turncoatism and proclaimed Velez as the duly elected city mayor. Pimentel ran as a guest candidate of the Mindanao Alliance.

The Comelec also nullified the nomination of official candidates of the Mindanao Alliance, including those who ran for vice-mayor and councilors.

The poll body canceled Pimentel's certificate of candidacy and considered the votes

cast for him as stray and nullified his proclamation.

The Comelec directed the city election registrar to reconvene all citizens election committees that functioned during the Jan. 30, 1980 elections in Cagayan de Oro City to:

1. Reopen their respective ballot boxes for the purpose of recounting the ballots for vice mayor and sangguniang panglungsod members.

2. Exclude from this recounting all block votes cast for the MA by not crediting them in favor of respondents Pablo P. Magtajas, Ramon A. Yap, Lourdes La Viña, Cecil Pepito, Jr., Roderico Villaraya, Guillermo Parrel, Jose Pepe Abbu, and Henry Bacal.

The Comelec directed the city board of canvassers to immediately reconvene to make a canvass on the basis of the recount and proclaim the win-

ners for the positions of city mayor, city vice-mayor, and sangguniang panglungsod members of Cagayan de Oro City.

In his petition last Aug. 23, Velez cited a Supreme Court ruling on the case of Flora vs. Pajarillaga that "should there be any uncertainty in the mind of the Court for more than 18 months after an appeal is submitted to it for decision, the decision of the trial court should be affirmed without even the need for reasoning out such an affirmation."

Velez, who was formerly the city fiscal of Cagayan de Oro, also said that since the pendency of the present appeal, the high tribunal has resolved many election contests "with similar, if not identical, issues" in accordance with the Pimentel case. Some of these cases were Gabatan vs. Comelec; Evaco vs. Obiso, Subilo vs. Comelec; Santos vs.

Comelec, and Geronimo vs Comelec.

The case stemmed from petitions filed by Ramon A. Ramos with the Comelec against the Mindanao Alliance

and its entire ticket during the 1980 local election campaign on the ground that all its candidates, including the standard bearer Pimentel, had disqual-

ified themselves on the "issue of turncoatism."

The Comelec, after due hearings, found the petitions meritorious and decided unanimously to de-

clare null and void not only the candidacy of all the respondents in the MA ticket but also the "proclamation of all the respondents."

CG: 4297/41

BICORNIA SUPPORTS CALL FOR FREE ELECTIONS

Manila BULLETIN TODAY in English 26 Sep 81 p 6

[Article by Jesus Bicornia]

[Excerpt]

IRONCLAD guarantees of "free and fair" elections henceforth could launch a splintered nation on a "journey of a thousand steps" toward national reconciliation. Calling for no one to be sacrificed — only for a few concessions — a dialog between the administration and the opposition should indicate whether or not the alienated segment of the citizenry can still be persuaded to support government, or that divisions have grown so deep and broad they cannot anymore be bridged. But a start toward closing the rifts must now be made. Both the administration and the opposition owe it to the nation to be prepared to give besides take

. . .

Certainly, the administration cannot long continue to ignore the opposition's clamor for "a fair shake" at the polls. Neither can it deny the truth to the claim that laws passed and edicts issued during the martial rule period have "loaded" the election dice in favor of the ruling Kilusang Bagoang Lipunan (KBL). Such unfair advantages should be withdrawn forthwith. Holding free and fair elections in this country may be easier said than done. But there are men, even among the ranks of the admini-

nistration party, with proven political savvy who maintain it can be done.

It is pointed out that right now there are four vacancies in pivotal nine-man Commission on Elections (Comelec). Conceding three or even all these vacancies to the opposition, with the President naming them from a list to be submitted by the opposition political groups, should put an end to widespread belief that the results of elections are determined, not by the contents of ballots, but by the Comelec count. As for undue advantages now enjoyed by the KBL and its candidates, they could either be deleted out or amended in the proposed New Election Code now undergoing deliberations at the Batasang Pambansa

. . .

That the United States Department of State is of the view that "a free and fair legislative election next year can be a turning point in restoring full popular participation in the political life of the Philippines" should be viewed by the administration as a plus factor in its study of the proposal. The sooner this and other sources of frictions between the administration and the opposition are resolved, the earlier the brewing political storm may be defused.

Signs of a coming social upheaval, triggered by the August 21 assassination of the charismatic opposition leader, former Senator Benigno Aquino, are becoming increasingly evident. Rallies and demonstrations are its visible symptoms. Now, as 20 years ago, the streams of protest are flowing from the "groves of academe." College

youths compose the mainstream of protest and dissent. Government must now cast about for every possible panacea to defuse a possibly explosive situation. To procrastinate in the hope that the present agitation will "blow over" could be disastrous to the nation already in the midst of crisis.

Cont. 4/20/01

PADILLA WOULD NOT JOIN AQUINO PROBE COMMISSION

Manila BULLETIN TODAY in English 26 Sep 81 pp 1, 13

[Text]

Former Sen. Ambrosio Padilla said yesterday that he will not accept an offer to nominate him as member of the Fernando Commission because he already advanced the view that the suspect, Rolando D. Galman, could not have shot former Sen. Benigno S. Aquino, Jr.

Padilla issued the statement during an open forum that followed his speech before participants of a symposium which was held last Saturday at the auditorium of the Ateneo University on H. V. de la Costa st., Makati.

Padilla said that his analysis on the autopsy by the National Bureau of Investigation (NBI) on Aquino's body, indicated that the bullet entered Aquino's left ear and exited on the right chin. This means that the flight of the bullet was "downward," he added.

He said Aquino was 165-centimeter tall, while Galman was shorter at 160.5 centimeters.

He said "Ninoy" (Aquino's nickname) was shot while his three military escorts were at the last step of the emergency stair. The fatal shot was fired from behind at a distance of 15 inches, he said.

He said that assuming that the lone assassin was waiting at the tarmac, the shot could not have been fired by the supposed assassin.

Padilla added that to say that the fatal shot was fired by "Rolly" (Galman) is contrary to actual physical facts. Quoting the case of "People vs. Sacabin," 57 SCRA 707, Padilla said, "Physical evidence is evidence of the highest order. It speaks more eloquently than a hundred witnesses." (p. 713).

Although he has yet to receive the formal offer to nominate him to the probe body Padilla said, he will offhand decline the offer.

He added that the Fernando Commission is not necessary because under Rule 112 of the Rules of Court, when a crime is committed, the government must act by conducting a preliminary investigation through the fiscal or state prosecutor.

The Commission is only confusing and misleading the investigation, he added.

He said that there is no longer a need to investigate the case because the truth is already out: "A military man is behind Ninoy's killing and the only problem now is the identity of that man."

He also doubted the credibility of the probe body formed by Armed Force Chief of Staff Gen. Fabian C. Ver to investigate the case because they (the military) are the prime suspects in the assassination.

NEGROS ORIENTAL PORT WORK NEARS COMPLETION

Manila BULLETIN TODAY in English 26 Sep 83 p 23

(Text)

The expansion of the municipal port of Gushulungan, Negros Oriental, is nearing completion, the Ministry of Public Works and Highways (MPWH) here said.

MPWH chief Civil Engineer Jose Sayson said the project is expected to be completed next month. Work on the project started last May this year.

He said the port improvement includes the construction of a nine-span or 27 lineal meters extension. The contract was awarded

to a Dumaguete-based construction firm.

The government has allocated P784,000 for the port extension. When completed, the port improvement is expected to meet increasing demand for port services and shipping traffic.

The Gushulungan port has ferry services to Cebu and vice versa.

Expansion and improvement of seaports in Negros Oriental is in line with the five-year port development program of the Philippine Ports Authority (PNA).

PARANAQUE ROAD PROJECTS COMPLETED

Manila BULLETIN TODAY in English 26 Sep 83 p 8

[Text]

The completion of seven major municipal public works projects costing more than P5 million was hailed yesterday by Paranaque's civic, religious and community leaders.

Paranaque Mayor Florencio V. Bernabe was informed that work on three other vital projects, including the repair of Quirino and Imelda avenues, is about to be finished, according to Municipal Engineer Ruben E. Siojo.

Community leaders led by Eugenio "Iggie" Soria President of the Paranaque Executive Lions Club, praised the municipal engineer for

the "speed and efficiency" which characterized the construction. The jobs were finished within schedules.

In a report to Bernabe, Siojo listed the finished projects. These include the municipal high school (phase 3), costing P1,175,800; asphaltting of G.G. Cruz st., P1,095,541; cementing of P. Burgos st., P1,046,832; M. H. Del Pilar st., P697,610; and Kabihasnan st., up to the B. F. Homes and major residential subdivisions, P682,226.

Also completed were the drilling of a deepwell for the municipal high school, P116,796; and an additional

second floor of the right wing of the municipal building, P1,297,638.

Siojo said the concreting of General Segundo st. was going on smoothly. This project costs P177,237 and the asphaltting of Bataan st. is being asphalted at a cost of P250,373.

Being patched up are the F.B. Harrison ave. and Redemptorist road.

"Executives such as Engineer Siojo can make life comfortable in this suburban town," said Soria in a Lions meeting yesterday.

CSO: 4200/41

EMPLOYMENT OF SURVEILLANCE AIRCRAFT ANALYZED

Penang THE STAR in English 4 Sep 83 p 7

[Article by Mak Joon Num]

[Text] THERE may be more than just maritime surveillance behind Singapore's acquisition of four sophisticated flying eyes-in-the-sky, the American-built E-2C Hawkeyes.

It will be the first air force in South East Asia with an airborne early warning system of such potential that it may well alter the balance of power in the region.

But the Hawkeyes also have a distinct civilian function that ties in just as well with Singapore Defence Ministry statements that the island republic's economic well-being depends on secure trade, shipping and air communications lines.

The choice of Grumman's E-2C is significant. It was developed as an airborne early warning and command (Awacs) system for the US Navy and is also quite effective as a maritime surveillance aircraft, hence Singapore's intention to deploy their Awacs along the Straits of Malacca.

It is still too early to say precisely what the Singapore Air Force (SAF) Hawkeyes will be able to do. Their capability will ultimately depend on their electronics "fit".

However, the E-2C's APS-125 radar processing system is capable of detecting low flying aircraft up to almost 300 miles (480 km) in either direction, which means that even if it hovers over Singapore alone, it will be able to "watch" military and civilian aircraft as far away as Kuala Lumpur and Kuantan — where two of Malaysia's major air bases are — as well as naval movements.

Electronic Support Measures (ESM), Electronic Counter Measures (ECM), secure data links and "eavesdropping" systems are also available in the E-2C.

In the words of a top analyst, the deployment of Singapore Awacs is potentially very sensitive. "It can be destabilising for the entire region if we allow ourselves to suffer from the spy syndrome and consider the deployment of the Hawkeyes as potentially hostile," he warned.

However, he felt that Singapore decided to buy the Awacs primarily to monitor civilian air traffic. The republic's primary worry, he said, would appear to be air safety.

The analyst pointed out that Singapore was very concerned about handing back the control of air space to Malaysia. Any air crash over Singapore would be a devastating blow to her important tourist industry.

He added, "Personally, I feel that Singapore decided to buy the Hawkeyes mainly to monitor air traffic and to provide a long-range back-up system for traffic control."

Singapore considers the Malacca Straits an international waterway and thus will have free access to its air space where its Awacs would be able to monitor air and maritime traffic over the entire waterway and its approaches, the whole of Peninsular Malaysia and virtually 80 per cent of Sumatra.

But its Awacs will not be able to fly north-east over the South China Sea, unless it gets special permission from Thailand or Malaysia. Much of the air space with-

in effective range of the Hawkeyes there is either part of Thailand's or Malaysia's Exclusive Economic Zones.

The Awacs will also give the SAF more time to respond to air threats — from the present 60-second warning time to as much as 30 minutes depending on the speed of the approaching aircraft.

But one defence commentator said that Singapore's acquisition of the Hawkeyes should not be seen in a negative light. The Asean partners should work on the principle that friends should not spy on their neighbours.

"We are now at the stage where we are sharing information, including external intelligence," he said. "As such, it would be easy to go one step further to include the sharing of strategic and tactical intelligence in exchange for basing rights for Singapore's Awacs."

"The effectiveness of the E-2Cs would be more than doubled if a pair of them were to be based, for instance, in either Butterworth or perhaps a Thai air base. This would tie in with the concept of Asean co-operation. We must be mature enough to view the acquisition of Awacs — a surveillance system which few countries in the region can afford — by Singapore as something which could benefit all the Asean partners."

He added that the Hawkeyes would give Singapore a bird's-eye view of the tactical situation in Peninsular Malaysia and there would be precious little the SAF would not be able to spot or overhear.

However, other commentators were less sanguine about the prospects of co-operation. Said another analyst: "The electronics of Awacs are usually highly classified, and I doubt that Singapore would want her aircraft to be based in Malaysia or elsewhere because of possible security leaks. If this should happen, then it would be that much easier to jam the radars and passive listening systems of the Hawkeyes."

"Again, I very much doubt that Malaysia would want to have foreign military aircraft based on her soil. It's against the concept of Asean being a non-military pact."

Singapore might be able to make her use of the Malacca Straits more acceptable by providing information on potentially hostile shipping, especially Soviet submarines, to Malaysia and Indonesia — if it asks that the E-2C be fitted for anti-submarine warfare.

The straits are narrow and shallow and it would be relatively easy to keep track of submarines which frequently use the straits. By picking up the echoes of air-dropped sonobuoys, it is possible to tell precisely what submarine is lurking the straits — and therefore which country it comes from. Each type of submarine has a distinctive engine and screw "signature" and by computer-matching them, they can be precisely identified.

In addition, Singapore could also use the Hawkeyes on anti-piracy patrols.

THAILAND

ATHIT ON COMMUNIST LINKS WITH BURMESE PARTY

BK210140 Bangkok THE NATION REVIEW in English 21 Sep 83 p 6

[Text] Continuing aid from communists inside Burma to the Communist Party of Thailand (CPT) remains a major security concern for the Thai Government, Army Commander-in-Chief Gen Athit Kamlang-ek said yesterday.

Gen Athit said the aid was delivered to the CPT by the Burmese Communist Party (BCP) but he did not identify its original source.

The army chief was speaking to students of Pathumwan Engineering School on "National Security."

"We used to feel that the threat was coming from the sides of Laos and Kampuchea which gave support to Thai communist insurgents," he said. "But the situation has changed and Burma is still being used as a base for logistical aid for the CPT through the BCP."

He said the army was keeping a close watch on the border areas facing Burma.

Commenting on the situation on the Thai-Kampuchean border, Gen Athit said the 155-mm long-range howitzers supplied by the U.S. have increased the firepower of Thai forces along the border.

CSO: 4200/48

EC TO PROVIDE FUNDS FOR REFUGEES

Bangkok BANGKOK POST in English 21 Sep 83 p 2

[Text] **THE European Community has agreed to provide 115 million baht worth of aid for displaced Kampucheans at border encampments and Indochinese refugees in Thailand over the next three months.**

The EC contribution was made during a meeting of donor countries at the United Nations in New York on September 16.

Of the total amount, about 46 million baht will go on 775 tons of dried fish and 1,300 tons of pulses and beans for about 80,000 Khmers in various border camps and about 207,000 Khmers seeking sanctuary in border areas, an EC statement said yesterday.

It said the EC will also cover the cost of transporting the supplies to the border.

The statement said the Community may also contribute another 11.5 million baht to the World Food Programme, which would cover other needs for the remainder of 1983.

It has already agreed to provide the United Nations High Commission for Refugees with 12,000 tons of rice for Indochinese refugees in Thailand.

All the aid is expected to be distributed during the next three months, together with another

1,000 tons of rice which are part of last year's food aid, the statement said.

Meanwhile, officials at the Khao-I-Dang refugee camp have expressed concern about the high birth rate among Khmer refugees.

Mr Somporn Kruanha, chief of the camp's Family Planning Centre, said yesterday there are 53,000 Khmer refugees at the camp and an average of 215 babies are born there each month with only about 10 deaths.

Mr Somporn said only about 8,000 refugees had sought contraceptives from the centre which is now providing three methods of birth control: pills, injections and condoms.

Mr Somporn blamed lack of cooperation among refugees for the high birth rate at the camp.

"These refugees receive their food rations according to the number of their family members and it seems that they want to produce as many children as possible," he added.

FOREST DESTRUCTION, WOOD EXPORTS DISCUSSED

Bangkok BANGKOK POST in English 19 Sep 83 p 2

[Article by Suthep Chawla]

[Text]

THAILAND'S once-lush, tropical forests are dwindling at an alarming rate and they may be stripped bare in less than 30 years if the current rate of destruction continues.

Slash-and-burn agricultural practices, a growing population, illegal logging, and construction of dams and reservoirs are the major destructive factors.

World demand for lumber and wood products has also contributed to the rapid disappearance of forests in Thailand which used to be one of the world's major teak producers.

In 1961, a total of 53.3 per cent of Thailand's land was forested, 3.3 per cent above the government's target at that time.

Since then forested areas have shrunk relentlessly.

Allowing for development in both rural and urban areas, the Government has now scaled down its target to 40 per cent out of total land area. However, the authorities appear to be fighting a losing battle.

SURVEY

According to a 1982 survey conducted by satellite and ground crews, Thailand's forest cover had shrunk to 30.52 per cent of the total land area. The majority of the forested areas is in the north and northeastern regions with about 22 million acres (8.90 million hectares) and 6.4 million acres (2.59 million hectares) respectively.

Mr Chumnong Photisaro, deputy director general of the Forestry Department, said an average of 1.4 million acres (566,580 hectares) of forests were destroyed annually.

The Forestry Department, responsible for preventing illegal logging, is currently employing villagers to plant trees, Mr Chumnong said in an interview. Besides, the department also stations officials at about 230 posts throughout the country to protect the forests.

A total of 1,577 people were arrested last year in connection with illegal logging, Mr Chumnong said. "I hope that the number of arrests would drop by about 40 per cent this year compared to 1982," he added.

Undoubtedly, the department also needs support from the upper ranks of Government if it is to be successful in its effort to conserve what remains of Thailand's forests plus 24 wildlife sanctuaries and 43 national parks.

Already, Agriculture and Cooperatives Minister Narong Wongwan has proved to be an important ally by planning to allow the private sector to reforest denuded areas, which were none forest reserves, where animals can roam freely. So far about 30 investors can later export timber from their reforested areas. It also calls for private investment in timber processing factories in those areas.

"The Government will benefit from land leases of which concessions are given to private firms for a specified period while the department can increase its green (forests)," he said.

Conservation efforts have been haphazard and futile although the export ban, imposed by the Government in order to stem illegal logging, has been in effect since December 7, 1977.

The ban forbids teak logs to be shipped out of the country, but finished teakwood products can be exported.

EXPORTED

According to the Department of Business Economics, Thailand last year exported wood products valued at about 1,433 million baht compared to 1,150 million baht earned in 1981.

Because of the slight drop in foreign exchange earnings in 1982, representatives of the Thai Timber Exporters Association (TTEA) planned to meet Mr Narong this week to request the Government again to allow traders to export high-quality timber because stocks have been growing. It earlier sought permission from the Commerce Ministry but did not receive any reply.

TTEA said it wanted to export high-quality wooden boards, planks and decks which are in much demand abroad while local demand is very small because of its relatively high price.

Similar requests were made by the TTEA several times during the past three years.

It charged that the export ban deprived the Government of foreign exchange and severely affected industries such as sawmills — AFP.

EMPLOYMENT FIGURES PUBLISHED; MANY DON'T GET MINIMUM WAGE

Bangkok THE NATION REVIEW in English 18 Sep 83 pp 1, 2

[Text]

MORE than half of the unskilled workers in Bangkok and five surrounding provinces are not receiving the 64-baht minimum wage despite the fact that their cost of living has risen by almost 13 per cent from that of last year, according to a recent survey conducted by the Wage Sub-Committee.

The finding was revealed as the tripartite sub-committee is locked in a debate on the trend of the new minimum wage for next year.

Chairman of the Wage Sub-Committee Dr Niyom Purakam quoted the survey as showing that as many as 52 per cent of unskilled workers in Bangkok and its five surrounding provinces are being denied the daily 64-baht minimum wage.

He said 18.52 per cent of them are receiving wages below 50 baht and another 33.49 per cent below 60 baht.

However, there are 43.32 per cent of unskilled workers who are enjoying wages higher than the basic wage. The other five provinces included in the survey are Samut Prakan, Samut Sakhon, Nonthaburi, Nakhon Pathom and Pathum Thani which are described as the country's largest employment source.

According to the figures provided by Dr Niyom, 9.82 per cent

of unskilled workers are receiving less than 40 baht a day, 4.83 per cent between 40-44 baht, 3.87 per cent between 45-49 baht, 12.72 per cent between 50-54 baht, 2.25 per cent between 54-59 baht and 23.19 per cent between 60-64 baht.

MINIMUM WAGE

Bangkok, its cost of living falls at an average of 4,230 baht a month. Food accounts for 2,471 baht, lodging 417 baht, education 304 baht, travelling expenses 190 baht, medical expenses 131 baht, entertainment 149 baht and others 568 baht.

In comparison, a similar family in the five surrounding provinces has to shoulder an average of 3,971 baht in cost of living monthly.

Dr Niyom said the cost of living found during the survey represents an increase of

12.87 per cent from that of last year. The cost of food alone jumped by 8.19 per cent, he said.

However, Dr Niyom said so far members of the Wage Sub-Committee had mentioned no figures as the basis for the debate on the adjustments of the basic wage. He said any figures would be discussed only after the sub-committee members have analysed all the necessary information being collected.

The basic wage for unskilled workers in Bangkok, the five surrounding provinces as well as Pang-nga, Ramong and Phuket is 64 baht. The basic rate for Chon Buri, Nakhon Ratchasima and Chiang Mai is 61 baht while that of the rest of the country is 52 baht.

Dr Niyom said there have been delays

in the supply of information on the part of employers to the sub-committee. However, he said he expected to have all the necessary data by next week.

New minimum wage is normally implemented on October 1 of every year.

Dr Niyom said a survey on employment by the Bank of Thailand in 1982 found that the overall employment dropped by 1.3 per cent last year. It said employment in Bangkok declined by 2.5 per cent, Northeast 3.9 per cent and the Central Region 1 per cent. However, employment in the North and South rose by 4.3 per cent and 0.5 per cent respectively.

About 30 per cent of business establishments in Bangkok and the five surrounding provinces reported that their businesses were worse off this year, he said.

JOINT BUSINESS COUNCIL WITH NETHERLANDS PROPOSED

BK010440 Bangkok BANGKOK POST in English 1 Oct 83 p 3

[Text] Thailand yesterday tentatively accepted a proposal by the Netherlands that a Joint Business Council be set up for trade cooperation between the two countries' private sectors.

The proposal was made by Dutch Foreign Trade Minister F. Bolkestein at the opening ceremony of the First Thai-Netherlands Joint Commission which began yesterday at the Foreign Ministry.

However, the Thai delegation cautioned that despite its approval, albeit unofficially, final decision would rest with the private sector.

According to the proposal, the Dutch delegation suggested that the Joint Business Council encompass bilateral cooperation in agricultural and industrial fields.

"I can't speak for the private sector," said Mr Manaphat Chuto, director-general of the Foreign Ministry's Economics Department who chaired the meeting of a working group of the two countries' delegates yesterday.

He then proposed that the subject be further discussed in detail by officials concerned during next week's meetings.

In his opening statement, Deputy Foreign Minister Praphat Limphraphan who led the Thai side during the four-day bilateral talks here called for the strengthening of bilateral economic cooperation "to explore possibilities of our relations in more specific fields such as agriculture, industry, energy, communication and monetary and financial matters."

Mr Bolkestein said that the purpose of this meeting was "to strengthen the traditional ties of friendship, to extend and intensify the economic relations and to encourage investments on the basis of equality and mutual benefit."

During the working group's session yesterday, tapioca, jute, yarn and textiles came under discussion as the Thai team sought support from the Netherlands to ease quota restrictions on Thai agricultural products to the European Economic Community (EEC) of which the Netherlands is a member.

Thailand had asked the EEC to help solve its problem and to act urgently on crop diversifications to which there had been no response so far, Mr Praphat said.

"In view of uncertainty, the problem will become more acute," noted the director-general, saying that Thai tapioca export to the EEC would be decreasing considerably in the years to come.

Thailand's plea brought favourable response from the Dutch team who promised "We'll fight for it."

More than 90 percent of Thai tapioca exports are shipped to the Netherlands before they are further distributed to other countries--both members and non-members of the EEC.

The Netherlands last year imported 15,421 million baht worth of tapioca products from Thailand.

The Thai-Netherlands Joint Commission meeting will resume on Monday and will end next Wednesday.

Meanwhile, Dr Phitsit Phakkasem, deputy secretary-general of the National Economic and Social Development Board, who gave a brief review on the Thai economic situation, told the Dutch delegation that the country's economic performance so far this year had been better than last year.

He said he projected the Gross Domestic Product at about 5.8 percent which would represent an increase of 1.6 percent compared to last year's.

CSO: 4200/48

BORDER COMMITTEE APPROVES 'HOT LINE' TO LAOS

BK260234 Bangkok THE NATION REVIEW in English 26 Sep 83 p 6

[Text] Thailand and Laos have agreed to set up a hot line linking directly with provincial authorities in Nong Khai and Vientiane in a new attempt to prevent further border disputes. Nong Khai will also serve as the centre for all the Thai northeastern provinces bordering Laos in the dealing with Vientiane, according to informed sources.

The agreement was reached during the annual meeting of the Nong Khai-Vientiane border committee in Vientiane last Friday. The Thai delegation was led by Nong Khai Governor Sakda Ophong while his counterpart was the acting Vientiane governor.

The sources said that the meeting agreed that all information about border conflicts would be supplied by authorities in Thai border provinces where they take place to Nong Khai to facilitate consultations between the two countries.

By establishing the hot line, delays which could cause misunderstandings on either part can be warded off as the governors of the two opposite provinces could immediately put a line through for talks with each other, the sources said.

The Thai delegation also asked the Lao counterparts to inform Thai authorities as soon as possible if a Thai is arrested on Lao soil so that relatives or friends of the Thai captive could be informed of what had happened to him or her, according to the sources.

The Lao side agreed to the proposal while the Thai delegates also promised to do likewise in case a Laotian is arrested on this side of the border, the sources added.

The two sides also agreed that meetings at the district level between Thai and Lao authorities should also be held on the "regular basis" and the Thai-Lao authorities at the level should settle some problems without having to pass them on to the provincial level, according to the sources.

The agreement was aimed at speeding up the process to solve border disputes along the Mekong River, they said.

The Thai side also urged Laos to seek financial support from the Mekong Interim Committee for the establishment of the hot-line link. Thai authorities have already made a similar request with the committee.

The Thai delegation also proposed that the provincial administration would work toward the formation of a trade cooperative to export Thai consumer goods to Laos through the state-owned trade agency in the communist country, the sources said.

"We asked them to purchase goods from the cooperative as a measure to reduce smuggling of goods into Laos," one of the sources said.

The Lao delegation agreed in principle to the proposal and both sides resolved to set up a task force to work out a commercial contract between the Lao company and the cooperative, the sources said.

The meeting also agreed to resume annual boat race between Thai and Lao people in the twin provinces to mark the Buddhist Lent season and the annual provincial sport even to be hosted by Vientiane this year.

The Thai side agreed to host the boat race this year. Both annual events were suspended over the last two years in the light of border tension.

One source said that there were indications that the outcome of the meeting would be conducive to the upcoming annual border committee meeting at the national level to take place in Bangkok this year.

These indications included the fact that the Lao delegates refrained from attacking Thailand for causing border disputes like the past meetings.

The meeting did not touch on the Lao long-standing request for the Thai side to open more border passes.

The suspension of the programme to repatriate Lao refugees was also raised in the meeting, and the Lao delegates reaffirmed that the programme was not cancelled, but Laos had financial constraints to take in large number of refugees back home. Laos have repeatedly asked the UN High Commissioner for Refugees (UNHCR) to provide financial assistance to help the refugees make a living at home.

CSO: 4200/48

OFFICIAL INTERVIEWED ON CPT URBAN STRATEGY

BK030319 Bangkok BANGKOK POST in English 3 Oct 83 pp 1, 3

[Text] The outlawed Communist Party of Thailand (CPT) has appointed a Politburo member and three Central Committee members to direct and take charge of subversive activities in urban areas, Pol Maj-Gen Kasem Saengmit, newly-appointed commander of the Special Branch Police, told the BANGKOK POST.

In an exclusive interview over the weekend, Maj-Gen Kasem also said that some CPT members who had connections with politicians before they fled to the jungles to join the communist ranks had managed to get jobs in certain progressive and conservative parties. The party leaders had no knowledge of their past political backgrounds, he added.

The Special Branch Police commander said that the Politburo man and the three Central Committee members, whom he declined to identify, had a safe house in the city and occasionally travelled between Bangkok and Nakhon Ratchasima Province.

He added that the four men were working with a team of about 20 people, including some defectors and intellectuals, on urban activities in the city.

He said that authorities were closely monitoring their activities. "We have not made any arrests yet because their activities are not illegal," he said. But he warned that once they break the law, police will arrest the urban subversives, "especially the big ones."

Maj-Gen Kasem pointed out that the CPT's urban activities were previously directed by a sort of ad hoc committee which was changed from time to time. The decision to appoint a more permanent committee to oversee the activities was adopted after the Fourth Party Congress in April last year, he said.

The major targets of the CPT's drive in urban areas are Bangkok and its neighbouring provinces, including Pathum Thani, Samut Prakan and Saraburi, where there are a concentration of industrial factories and a large number of labourers, he added.

Pol Maj-Gen Kasem outlined the communists' urban tactics as follows:

- Infiltrating industrial factories and important state enterprises on the outskirts of the city;
- Forming united front alliances with patriotic and democratic groups, political parties and other legally-registered organisations;
- Setting up disguised organisations to coordinate underground and open activities and adopt counter-intelligence and security measures;
- Reviving student activism and joining students in their struggles on various issues, including social justice and democratic rights;
- Exploiting political groups for the CPT's own interest and supporting the struggle for justice, generating political effects;
- Only qualified members with capability to work in urban areas should be chosen to conduct urban activities.

In all of their urban tactics, the communists will try to avoid sabotage, Pol Maj-Gen Kasem said.

The commander noted that though the CPT had shifted more emphasis on urban activities, armed struggle in rural areas still remains the party's major objective. The party, he added, still faithfully adheres to the Maoist strategy of jungles encircling villages and villages encircling towns.

After the CPT's 4th Congress last year, Pol Maj-Gen Kasem said, the communists managed to establish a loosely-formed underground organisation whose members included some intellectuals. But the organisation broke up when government authorities got wind of it and were closely monitoring its movements, he added.

The commander said he believed the CPT would not succeed in its urban strategy because of three factors: declining faith and trust in the CPT among intellectuals; the hostility between China and Vietnam; and increased nationalistic sentiment among the Thai who have questioned the Chinese-dominated CPT leadership as to whether its revolutionary struggle is in the interests of Chinese or Thai.

The CPT would have succeeded in its revolutionary goal if it had launched urban activities in conjunction with rural struggle before the "October 6" incident in 1976, he said. "But it's now too late."

Regarding the CPT's foreign support, Maj-Gen Kasem said that the party used to receive about 200 million baht in aid annually from communist bloc countries during 1975-76 when it was overly confident that it would be able to seize control of the country.

Foreign assistance has been cut down to about 50 million baht, he said, explaining that the assistance includes financial support, clothing, arms and other supplies.

To meet the CPT's new challenge, the Government has set up the so-called "Santi Nimit" units, whose duty is to carry out political activities at local level, including the propagation of the concept of constitutional democracy and eradication of dark influence.

The Government's main target is the CPT's front movement.

CSO: 4200/48

AUSTRALIA TO PROVIDE AIRCRAFT FOR ANTI-PIRACY EFFORTS

Bangkok THE NATION REVIEW in English 18 Sep 83 p 2

[Text]

[TH] Australian Government has announced it will provide Thailand with four Nomad Searchmaster aircraft to assist in its anti-piracy programme.

Australian Defence Minister Gordon Scholes in Melbourne said the four aircraft, worth around US\$15 million, will be sent to the Royal Thai Navy under the two countries' defence cooperation programme.

He said Australia will also provide training for the Thai naval personnel, spares, ground support equipment and advisory assistance.

The craft is expected to be delivered to the Thai Government by next June, he said.

When Australian Foreign Minister Bill Hayden was here in July he announced an addition-

al contribution of about 4.3 million baht for the anti-piracy work in the Gulf of Thailand.

The anti-piracy programme is being financed with donations from 12 countries and is now in its second year.

The Songkhla-based anti-piracy unit is responsible for more than 18,000 square kilometres of sea in the Gulf of Thailand from Surat Thani to Narathiwat, but is said to be short of both manpower and equipment.

The United Nations High Commissioner for Refugees (UNHCR) has hailed the anti-piracy programme as a "small success" in reducing the rate of pirate attacks on Vietnamese refugees. However, no official statistics have been made available.

CSO: 4200/49

VIETNAMESE RESIDENTS' BRIBERY SCHEME FOR EMIGRATION

Bangkok BANGKOK POST in English 21 Sep 83 p 2

[Text]

NONG KHAI

ABOUT 200 Vietnamese refugees from the "Dien Bien Phu" era bribed their way into a refugee camp here and had left the country for resettlement in France and the United States, Pol Col Sayant Saengsayant, the provincial police superintendent, said yesterday.

He said that the latest census of Vietnamese refugees who have sought refuge here since the Dien Bien Phu conflict in the 1950s showed that about 1,500 out of some 9,000 refugees recorded two years ago were not accounted for.

He said that about 300 refugees, including their children born in Thailand, had escaped to Laos.

The police colonel added that 102 refugees had managed to resettle in France, 92 in the US and one in Saudi Arabia.

He cited as examples Hoon Rae Van and his wife and seven children who are now living in France and Mrs Hua Nguyen Thi who has resettled in the US.

"Two possible means how these refugees managed to get new homes in third countries were that they bribed their way into the refugee camp here to become newcoming refugees to be eligible for resettlement abroad while another way was to acquire forged passports," said Pol Col Sayant.

Each refugee paid between 30,000-40,000 baht to corrupt refugee camp officials for entry to the camp and for plane tickets to third countries, he said.

He noted that he was only concerned about refugees who had fled to Laos since they might pose a security threat to Thailand.

CSO: 4200/49

THAILAND

BIOTECHNOLOGY ENGINEERING CENTER PLANNED FOR BANGKOK

Bangkok THE NATION REVIEW in English 21 Sep 83 p 3

[Text]

THAILAND yesterday reaffirmed its support to a proposal for the UN International Industrial Development Organization (UNIDO) to choose this country as the site for the planned establishment of an international centre of genetic engineering and biotechnology.

The reaffirmation was given by the Cabinet which also endorsed another proposal by the Science, Technology and Energy Ministry for the establishment of a national centre of genetic engineering and biotechnology which might be turned into the planned international centre at a later stage.

The Cabinet also took note of a report by the ministry that the recent UNIDO-held ministerial meeting in Madrid, Spain failed to reach an agreement over the site for the construction of the international centre.

Forty-two countries which participated in the ministerial meeting during September 7-13 finished drafting and endorsed a charter on the establishment of the international centre.

Twenty-five of the participants, including Thailand, also signed the charter during the meeting.

Although a selecting committee formed by UNIDO had endorsed the proposal to pick Thailand as the location for the international centre, several other countries also vie for the selection.

The proposal by the ministry to launch a project to construct the national centre is also aimed at enhancing the Thai capability in this field of technology.

The Cabinet also resolved to form a committee chaired by Minister of the Science, Technology and Energy Damrong Latthapipat to work out the plan for the establishment of the national centre as well as fixing a budget to fund the construction.

The committee is also bound to submit its plan on the project to the office of the National Economic and Social Development Board for scrutiny.

CSO: 4200/49

SEVERAL INSURGENTS TO SURRENDER IN NAN PROVINCE

BK030339 Bangkok THE NATION REVIEW in English 3 Oct 83 p 6

[Text] Nan--About 250 communist guerrillas and sympathizers, said to be the last "die-hards" in this northern province, have agreed to surrender en masse with their weapons to the government. The agreement will restrict communist-infested areas here to only the south of this province, authoritative sources told THE NATION REVIEW yesterday.

They said the group of communist remnants belong to communist operational "Zone Four" in Ban Namchai of Tambon Boklua in Pua District here. The operational zone has been reputed for its fortification and strength.

The mass surrender, which has been agreed upon in negotiations between leaders of the group and authorities of the Civilian-Police-Military Unit 32 (CMP-32) is being prepared and will be held in Zone Four in line with the prospective defectors' wish, according to the sources.

"We are now levelling an area there to turn it into a helicopter pad to facilitate the holding of the surrender ceremony soon," one of the sources said.

The agreement came against the backdrop of continued military pressure imposed by the government on the guerrillas in the areas. The military pressure has divided the insurgents into two groups, one of which is still stubborn to continue fight against the authorities and has moved to southern Nan, the sources said.

The envisaged mass surrender will virtually dissolve communist operational zones in northern Nan. Apart from Zone Four, the other two zones, Zone One and Zone Two, had earlier been dissolved, the sources said.

As a result of the agreement, communist insurgents here will be active only in the so-called Zone Three, Five and Six in Mae Charim District [as published]. Communist strength in these areas is put at about 200 men.

The group of communist insurgents who refused to defect to the government in northern Nan had trekked through rugged jungle areas to the south of this province for about 10 days, the sources said.

THAILAND

2D ARMY COMMANDER VIEWS SITUATION

BK290950 Bangkok Domestic Service in Thai 0000 GMT 29 Sep 83

[Interview with Lieutenant General Phak Minakanit, commander of the 2d Army Region, on the situation along the border with Laos, given to Radio Thailand correspondent in Loei Province on 28 September--recorded]

[Text] [Phak] As far as the situation along the border with the LPDR is concerned, there has not been any indication that the other side might pose any threat or aggression against Thailand. However, intrusions do occur regularly in certain areas which, I think, is nothing unusual. Even two next-door neighbors cannot avoid a problem of this nature.

[Question] Since it is possible that fighting, which sometimes breaks out on the other side of the border, might spillover, is it correct that our soldiers will push out any intruder?

[Answer] Certainly; we have to defend our national sovereignty. Our border troops are ready to retaliate or push out any intruder. However, there has not been such an incident in areas under the responsibility of the 2d Army Region.

[Question] Is the situation in the overlapping areas of the 1st and 2d Army Regions normal?

[Answer] The situation in the areas under the responsibility of the 2d Army Region is normal. We have been closely coordinating with the 1st Army Region. We are always informed about any suppression operation launched by the 1st Army Region, and we help it intercept fleeing insurgents. The 2d Army Region has not yet used force against communist insurgents. We are using the political approach to persuade them to surrender. I believe that we will succeed.

CSO: 4207/5

BRIEFS

AMMUNITION SEIZED--Tak--Police seized a truckload of ammunition believed destined for Burmese rebels at a checkpoint near the Thai-Burmese border last Friday, according to a delayed report. The report said Pol Sub-Lt Sa-nga Yomkoet, chief of the border guards at Ban Huai Ya-u checkpoint, Muang District, stopped a ten-wheel truck, whose load was covered by a tarpaulin. A subsequent search unveiled several wooden crates containing 82,000 rounds of M16 ammunition, 2,280 rounds of M1 ammunition, 133 rounds for 57-mm and 75-mm recoilless guns, 300 60-mm mortar rounds, 135 81-mm mortar rounds and 1,660 rounds of M76 ammunition. The truck driver escaped, however. [Text] [BK190052 Bangkok BANGKOK POST in English 19 Sep 83 p 3]

AIR FORCE EXERCISE WITH SINGAPORE--The Air Forces of Thailand and Singapore are now holding the second phase of the Air Thai-Sing '83 joint exercise in Nakhon Ratchasima Province in the northeast of Thailand. Twenty fighter-bombers are participating in the operation. The objective of the air exercise between Thailand and Singapore Air Force personnel is to increase efficiency and cooperation. [Text] [BK240244 Bangkok Domestic Service in English 0000 GMT 23 Sep 83]

SRI LANKAN SPECIAL ENVOY--Sri Lankan Special Presidential Envoy H. W. Jayewardene met Prime Minister Prem Tinsulanon this morning to explain about the recent violent incidents in Sri Lanka. Gen Prem told Jayewardene that the incidents were Sri Lanka's internal affairs and Thailand would not interfere in the matter. Jayewardene went on to tell Gen Prem that the Sri Lankan Government is gaining moral support from several countries including India, the Philippines, Singapore, Malaysia and Indonesia. The presidential envoy also presented a special letter from the Sri Lankan president to Gen Prem. [Text] [BK280901 Bangkok BANGKOK WORLD in English 28 Sep 83 p 3]

MAGAZINE BANNED--Weekly magazine "THAILAND" had its licence revoked yesterday at the order of Police Director Pol Gen Narong Mahanon. Pol Gen Narong, who is also the Bangkok press officer, said in his order that the magazine had carried articles detrimental to public peace and order as well as the good morals of the people. The revocation of the licence of the magazine was made by Pol Gen Narong under the Printing Act of 1941 and Order No 42 of the defunct National Administrative Reforms Council. The magazine was launched in April and was said to have carried articles critical of the government and the army. Many of its staff members are former student activists returning from the jungle. [Text] [BK300959 Bangkok THE NATION REVIEW in English 30 Sep 83 p 6]

CSO: 4200/48

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

MESSAGE TO MALIAN PRESIDENT--Hanoi, VNA 21 Sep--President of the Council of State Truong Chinh today sent a message of greetings to head of state Moussa Traore on the 23rd national day of the Republic of Mali. The message wished the Mali people bigger successes in consolidating their national independence and building a prosperous country, thus making active contributions to preserving peace in Africa and the rest of the world. It also expressed the wish for constant consolidation and development of the friendly relations between Vietnam and Mali. [Text] [OW211755 Hanoi VNA in English 1553 GMT 21 Sep 83]

ANTI-FASCIST EXHIBITION--Hanoi, VNA, 22 Sep--An exhibition opened here today under the joint sponsorship of the Vietnam revolution museum and Bulgaria's national revolutionary movement museum to mark the 60th anniversary of the Bulgarian people's anti-fascist uprising. Present on the occasion were Mai Vy, vice-minister of culture; representatives of the Foreign Ministry and the international department of the Central Committee of the Communist Party of Vietnam, and the Bulgarian charge d'affaires, A.I. Alexandre Itov. Also today, the cultural and information service of Hai Hung Province, east of Hanoi, opened another exhibition for the same purpose. A week of Bulgarian films has been organized in many provinces and towns throughout the country. [Text] [OW221711 Hanoi VNA in English 1533 GMT 22 Sep 83]

CSO: 4209/34

AGRICULTURE

SRV HOLDS NATIONAL RICE CULTIVATION CONFERENCE

OW281041 Hanoi VNA in English 0748 GMT 28 Sep 83

[Text] Hanoi, VNA, September 28--So far, 13 of the 40 provinces and cities in Vietnam have hit the mark of five tons of paddy per hectare per year, a target set 20 years ago and first achieved by Thai Binh Province in the Red River delta in 1966.

This was reported at a national conference on intensive rice cultivation held recently in the central coastal province of Quang Nam-danang which has the largest number of productive units having achieved high rice outputs.

According to statistics reported at the conference, while in 1965 only seven districts reaped five tons per hectare in the whole year, in 1982, 34 districts reaped seven tons upward and about 500 cooperatives and production groups harvested eight tons and more. The Dai Phuoc cooperative, Quang Nam-danang, is the country's flag-bearer for five successive years in terms of annual per-hectare rice yield, chalking as much as 22 tons per hectare in 1982, an all-time high.

Intensive rice farming is well advanced in the Red River delta where many provinces have crossed the yearly target of five tons per hectare. In the 1982 autumn rice crop, the delta achieved an average of nearly three tons per hectare, an increase of more than 700 kilograms compared with the same crop in 1980. In the following spring harvest, it reaped 3.43 tons per hectare, up by 930 kilograms over the previous spring crop.

In the Mekong River delta, the biggest rice producer of the country, the 1982 autumn rice yield averaged 2.56 tons per hectare, 260 kilograms more than the same crop in 1980. Particularly, in the latest spring harvest, the rice yield was the highest so far in the region. In particular, An Giang Province chalked up 4.43 tons per hectare in a single crop.

With the constant rise in food production, the per-capita share of food increased from 266 kilograms in 1980 to 296 kilograms in 1982, compared to the annual population growth rate of two percent. As a result, food procurements to the state in the main rice-growing areas have risen to almost two tons of paddy per hectare.

The conference came to the conclusion that high rice outputs can be achieved wherever the three revolutions--the revolution in the relations of production, the scientific and technical revolution, and the cultural and ideological revolution--in which the scientific and technical revolution is the kingpin are well combined and the product-based contract system was applied satisfactorily. Other no less important factors like irrigation, fertilizers, draught force, insecticides and farming methods also need to be utilised scientifically and rationally.

CSO: 4209/34

HEALTH, EDUCATION AND WELFARE

VIETNAM WRITERS ASSOCIATION HOLDS CONGRESS IN HANOI

Literary Group Chief Addresses Congress

OW271015 Hanoi VNA in English 0832 GMT 27 Sep 83

[Quotation marks as received]

[Text] Hanoi, VNA, Sept. 27--The development of Vietnamese literature over the past 20 years was reviewed by general-secretary of the Vietnam Writers' Association Nguyen Dinh Thi in his report at the opening session of the association's third congress in Hanoi Monday morning.

On the Vietnamese writers' contributions, Nguyen Dinh Thi said:

In our national life in the past years as well as at present responding to the appeal of the country and the Communist Party, each holder of the pen has been striving to do his or her share in the revolutionary cause.

During the years of the anti-U.S. war of resistance, many of our poets and writers, young and old alike, went side by side to the hottest battlefronts or into enemy-occupied areas to join our combatants and people in the crucible of war and write about that fight. Others went to places where new roads were being opened and new lands cleared, or where violent clashes took place daily between the new and the old. Others stayed for years, and even for a decade or more, at a production establishment or in a remote village, delving into a certain aspect of life and writing silently and persistently. In the southern urban areas under enemy occupation in spite of the enemy's terror and the temptations of a depraved life, many writers and poets who had contact with or were influenced by the revolution succeeded in preserving the dignity of Vietnamese intellectuals, denounced the enemy and tried to assert the Vietnamese cultural values. Among the patriotic Vietnamese residents abroad, many holders of the pen have constantly turned their thought towards the motherland, making contributions to the fight of the nation from afar.

We have gradually fostered a relatively broad movement of literary composition involving young, non-professional writers at productive bases and in the armed forces and the industrial, scientific, technical, medical, cultural and educational services, and in many rural areas. As they took a direct path in the activities of these branches and localities, these young writers have

brought to our literature a constantly fresh breath of life. From this movement there have emerged more and more promising talents to replenish the new generation of revolutionary writers. Worthy of note is the emergence of many women writers and poets who have made commendable efforts to explore new aspects of life. Most worthy of rejoicing is the appearance of the pen names of many writers of ethnic minority origin. They are not only poets who have enriched the heritage of folk poetry of various brotherly ethnic nationalities in our country but also playwrights, novelists and writers of short stories who wrote in easy style in both their own scripts and the national language.

With all these efforts, our writers as a whole have reaped "bumper harvests" of literary works which bear the mark of each state and each major event of our people's revolutionary struggle.

Nguyen Dinh Thi quoted the political report of the Communist Party of Vietnam Central Committee at its Fourth National Congress (1976) as saying: "...With its achievements in reflecting our nation's two great resistance wars, our literature and art is worthy of standing in the van of the anti-imperialist cultures and arts of our time."

He continued:

It can be said that in the flames of war we have created a completely new literature many works of which embody to one extent or another the great *raison d'être* and sentiments of the revolutionary struggle of the millions.

"We writers as well as our readers, however, are aware of the lack of great works commensurate with the two recent great wars of resistance of our nation. With regard to works on socialism, we are only on the first leg of a long journey."

"Over the past few years," Nguyen Dinh Thi went on, "moving into a new revolutionary stage, many of our writers have been working hard. They wrote about the recent anti-U.S. resistance war, the present struggle against the Chinese expansionists, the changes in the national life since the liberation of South Vietnam in 1975. In the first steps of advance to socialism, a number of achievements have been recorded, heralding the upswing of our literature to a stage of further growth. "We can clearly see that a number of our writers write in diversified styles.

"An important feature of our literature is that our country has many fraternal ethnic minorities each with its own time-honoured folk literature which is a real treasure with its exotic, original beauty. Thanks to this, the new literature of our entire nation is crystallizing many diversified quintessences, going from ancient times to the present revolutionary epoch.

"Besides those strong points, we should not overlook the weak points in our works.

For decades now, the life of our nation has been surging like a big current in which we writers albeit our great efforts, seem to have been drifting. [sentence as received] There are still many gaps in our knowledge about the momentous events taking place in our people's life. There are many reasons behind it, but we all see that these shortcomings firstly stem from the distance between our perception and the historic events taking place in our country over the past decades.

On the whole, it appears that the national liberation struggle is naturally closer to us while we have been somewhat perplex before the many new problems of the socialist revolution.

However, looking back at what we have written, for all its weaknesses and flaws, we can see a process of constant progress in the Vietnamese literature. The trend is toward a more and more correct and profound understanding of our country and people and of the revolutionary changes in the decades-long and multi-faceted struggle against imperialism in the past and in socialist construction at present. This understanding has created the depth of our works and helped our writers and poets to firmly tackle the hard and complicated problems posed by life in order to write more captivating and useful works.

Touching on the road ahead for Vietnamese writers, Nguyen Dinh Thi quoted the political report of the Fifth Congress of the Communist Party of Vietnam as saying: "The party trusts the writers and artists, highly appreciates their contributions, and always looks forward to seeing the emergence of many creative talents and literary and artistic works of high ideological and artistic value, worthy of a country with an age-old culture and of a heroic people. The party encourages every research and creative endeavour and the development of artistic styles and talents. At the same time, the party requires writers and artists to firmly grasp the method of socialist realism, highlight the party character and the responsibility of the fighters on the cultural and ideological front in the new stage of the revolution, serve more effectively the interests of the people and make worthy contributions to the cause of socialist construction and national defence."

He continued: "All for the socialist fatherland; all for the happiness of the people; this slogan of action set out for the entire people and armed forces by the Fifth Party Congress is also the slogan of action for all our writers today. This is a noble responsibility entrusted to everyone of us by the revolution.

To make worthy contribution to socialist construction and national defence is the objective we are all aiming at in our composition, criticism, research, translation and other domains of literary activity.

Many decades have passed but we still remember President Ho Chi Minh's teaching in his letter to us during the anti-French resistance war: "Culture and arts are also a battlefield, and you are fighters on that front."

Particularly in the field of literature, the coming stage of the revolution will be the appropriate time for us to build a comprehensive and great literature of our nation. That's also an imperative need. To advance to a great literature, a new literature of our nation in the socialist era is a requirement posed by our people's moral life at present. We think that this is also a practical objective for our writers and poets.

Experiences over the past decades have shown, that we writers must join the new battlefields of the socialist revolution and live in the great new undertakings of the people and the party, firstly go into the labour of the people in all fields.

At this juncture, the revolution in production relations is taking place throughout the country, shaking and changing the structure of our society. The collectivization of agriculture, the reorganization of handicrafts and transformation of private capitalist trade, particularly in the south, the new efforts to seek suitable mode of economic management of the agricultural cooperatives as well as of the state-run industrial establishments, the policies on goods circulation and distribution... are burning problems that are shaking our social life and touching every family. These are new and attractive subjects, some first works on them have been published, drawing keen public attention.

We can now see even more clearly that basically and in a long-range perspective creative labour is the central topic of socialist literature. The emancipation of labour, and the working people, the reorganization of the whole workforce of the society, the formation of a new type of men and women in free and collective labour, the development of the working potential and creativeness of millions of people are big problems that are emerging in the daily realities of agricultural production and socialist industrialization. Formerly, the frontline was the sites of battles against the imperialist aggressors, the old and new colonialists.

We may say that today, our frontline is on the front of labour to build our country.

"Alongside subjects and themes on socialist construction, our literature in the new stage of revolution cannot overlook subjects and themes on the task of standing prepared to fight in defence of our homeland. In this connection we must sharply expose the multifaceted and sinister schemes of the Chinese expansionists who more [as revealed] colluding with the U.S. imperialists and other international reactionaries.

"In our defence effort, the lofty and durable solidarity between our people and the peoples of the Soviet Union and other socialist countries, and the crucial fraternal solidarity between our people and the peoples of Laos and Kampuchea represent a force, a precious asset to the preservation and flourishing of which our literature must contribute.

"For several past decades, our party and President Ho Chi Minh have taught us to distinguish the aggressive ruling circles from the people of their country. In that spirit, we continue to preserve the Vietnamese people's friendship with the Chinese people, and we always unite with working people and all honest people throughout the world.

We believe that truth and justice shall prevail.

"Our literature requires deep contacts with the daily life of our country and the revolutionary activities of our people in the new stage of history. And those tremendous tasks necessarily encompass for the fostering of the new type of man.

"Today, many novelists and playwrights want to write about the social struggle between the old and the new, how to write about the bad, and the negative aspects of our society, is a great concern of our writers as well as our critics.

"The political report of the Communist Party of Vietnam Central Committee delivered at the Fifth Congress has shown as the way: 'The party requires writers and artists to firmly grasp the method of socialist realism, highlight the party character and the responsibility of the fighter on the cultural and ideological front in the new stage of revolution'."

"Writing about negative aspects of our society, we should aim at combating them, at building a new society--a socialist society--and at fostering a new socialist-type man. For this reason, works about the bad will nevertheless have a positive content if their authors have a correct attitude and outlook. Such works are in line with socialist realism."

We will preserve the purity of the fine traditions of the Vietnamese literature and carry on the work undertaken by the great writers and poets of the past. We writers and poets who have lived and worked in the revolution are together making relentless efforts to fulfil our mission of fighters on the ideological and cultural front.

After reviewing the activities in the fields of poetry, prose and script-writing, Nguyen Dinh Thi dealt with literary criticism and research, translation of literary works and literature teaching at school, and other questions.

On the literary creation for children he observed that there has been formed a relatively large contingent of writers for children and the number of stories for children make up the greater part of all literary publications. Some writers have devoted all their lives to writing for children.

On the training and fostering of young writers, he made known that the Vietnam Writers' Association had held within a short period of time 7 short-courses for 300 young men and women together with numerous literary creation workshops run by the localities.

After the liberation of southern Vietnam, the association in collaboration with the Ministry of Culture held a three-year course for more than 40 students, which today has become a college under the Ministry of Culture.

Nguyen Dinh Thi said that the association has grown continuously since its founding. Today, it has more than 300 full members and more than 50 aspiring members.

Our congress, he said, will discuss and decide on an amended statute in the sense that our association is a revolutionary organization and the warm family of writers.

Nguyen Dinh Thi concluded:

"Today the newly liberated Vietnam has set out to build a new, socialist life in the midst of innumerable difficulties and in spite of all privations, including the shortage of knowledge in many fields. Our enemies, from the U.S. imperialists to the Beijing expansionists and other reactionaries are seeking all means to sabotage our work. The writers of Vietnam are undertaking the task of continuing to build from the traditional literature full of vitality bequeathed by the nation through dozens of centuries, a socialist literature of our country commensurate with our country, with the untold sacrifices and efforts of so many generations. We believe that we writers of the present generation and the generations of writers to come will successfully build a new and great literature of our time on this homeland of ours."

Writers Congress Addresses Letter to CPV

OW291824 Hanoi VNA in English 1540 GMT 29 Sep 83

[Text] Hanoi, VNA, Sept 29--At its closing session yesterday, the Third Congress of the Vietnam Writers' Association adopted a letter addressed to the Central Committee of the Communist Party of Vietnam, expressing the Vietnamese writers' deep gratitude towards the party and their strong confidence in its leadership.

The letter read:

"We writers who have engaged beside the rest of the people in decades of fighting and who have shared with the most difficult hours, are today very proud of our socialist revolution. Socialism is the future of our country and the splendid horizon of literature.

"Deeply imbued with President Ho Chi Minh's teaching: 'Literature and art are also a fighting front. You are fighters on this front', we, as a collective of writers, have seen more clearly than ever before our fighting mission in the socialist revolution and are determined to make our worthy contributions to the three revolutions and to the education and training of the new, socialist-type of man.

"In order to fulfil our responsibility, we Vietnamese writers will endeavour to study Marxism-Leninism and the party's policies and line, firmly grasp the method of socialist realism, persistently go into the life of the working masses, and make continual efforts in our create work [as received] so that each page of our works is filled with revolutionary feelings and truths and is really useful to our beloved readers.

"Under the party's banner, the cause of socialist construction is opening new, immense, horizons for all creative work including that of the holders of the pen. It is sure that in the period ahead will see the blossoming of Vietnamese literature and art, of the socialist Vietnamese culture and civilization."

CSO: 4209/34

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